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Formerly Millard's Review

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WHAT IS BEHIND THE 'NEW' BRITISH POLICY?

OF ALMOST overwhelming interest in connection with the present situation in China was the statement of British policy outlined in the Note handed to the Diplomatic Body in Peking and released to the press on Sunday, December 26. According to the *North-China Daily News*, leading British organ in Shanghai, the British memorandum makes clear the following as the intentions of the British Government:

1. To put into effect immediately and without any foreign supervision, the Washington Surtaxes (2½ per cent.)

2. In order to avoid any possibility of foreign supervision of this surtax, the funds so collected shall not be used for the securing of unsecured obligations.

3. These funds shall not necessarily be deposited in foreign banks, but shall be deposited wherever the proper authorities indicate. That is, that this surtax shall be deposited in Chinese banks if the Chinese authorities so decide.

4. In effect, regional governments shall be recognized as the proper authority, wherever the regional government actually has control. That is, no attempt will be made by the Powers to judge as between political parties in China,

5. The Customs shall collect the surtax but turn the money over to the proper authorities as above defined.

6. Those phases of the report of the Extraterritoriality Commission which can be enacted immediately, shall be enacted wherever possible.

In comment on the Note the editor of the British paper explained that the "way is now paved for many of the demands of the Chinese, such as deposit (of customs funds) in Chinese banks, the fulfillment of the Washington surtaxes and an equal division of the customs surplus among the actual governors of the land without regard to party divisions. It is the beginning of granting China what she wants in the matter of the customs."

WHILE IT IS impossible to reprint all of the comment which has appeared in the foreign press regarding the Note, the following from the British trade publication, *Finance and Commerce* may be accepted as typical of the reception of the Note in the minds of the old-established foreign merchants in the treaty ports,

> While it is hopeful to see Great Britain taking the initiative in diplomatic matters in China, there is existent among the British community an uneasy feeling that their interests may be sacrificed in order to attain a make-believe quietude. We trust that they and we may be mistaken, but there have been indications that it is intended to adopt an attitude that is over-conciliatory and generous. This will certainly be interpreted by most Chinese as weakness, and will simply be an incentive to further aggression. While the Chinese possess a number of admirable qualities, it is generally agreed that they

do not—as a race—appreciate generosity. A humble instance of this is found in the ricksha coolie. He has, it is true, a most miserable existence, and most of us have gladly contributed our mite towards the *North China Daily News* fund. But, also, most of us, when we have occasion to use a ricksha, give the puller something more than his legal fare. Does he say "Thank you?" Not a bit of it. He concludes that you are an ass an l clamours for more. Similarly with the nation, and we sincerely trust that the British Government is not going to place itself in an invidious position, although we are glad to see that at long last it has awakened to the necessity of taking action.

ASIDE FROM comment appearing in the *People's Tribune*, a Kuomintang organ in Peking, it has been difficult to find out just what the Chinese think of the British proposal. According to that paper, the British attitude is 'hypocritical' because just previously to the announcement of the policy, there was a report from London that British warships in Chinese territorial waters are shortly to be increased to a total of 57 while additional troops are also being brought to China for the purpose of strengthening contingents already stationed in Hongkong and at Tientsin. Continuing the Chinese *People's Tribune* declares,

> We cannot see any manifestation of what Britain calls her friendship towards China in her recent proposals. The surtaxes, the imposition of which the British Government has proposed to approve, will only be utilised by the Northern militarists as war funds to keep up strife between the Northern and Southern militarists. This is the reason why British proposals have ended in failure. In short, the British Government has not at all altered the principal aim of its China policy in the proposals. On the contrary, they imply a direct threat by armed intervention and indicate, more-over, that the union of the Imperialists has broken and that Britain is opposed to Japan's China policy.
>
> As to the difference of opinion among the Powers on the unsecured debts question, Britain hints that the dissentient is Japan, but British objection to the matter was not because of her love of China but because Britain had nothing to do with the question.

IT HAS BEEN impossible to obtain any press comment showing the attitude of the Northern militarists, but *Reuters* in a report from Peking on Dec. 30 stated that the Fengtien authorities "have been discussing" the levying of surtaxes in ports under their control and the opinion is expressed in "some authoritative quarters" that they will impose them shortly. The same report stated that Pan Fu, Minister of Finance in the Peking Cabinet is considering the possibility of raising a $100,000,000 domestic loan on the strength of the new surtaxes, but doubt was expressed by *Reuters* as to the ability of either the Northerners or Southerners to realize any great sums from the imposition of the 2½ percent surtax.

ANOTHER INTERESTING comment on the Note was that of Dr. Charles James Fox, editor of the *North-China Star*, American paper in Tientsin, who said in part, that,

> Rather crude, quite disappointing from the standpoint of the preliminary press comment cabled from London to the Far East, strangely illogical and even contradictory in parts, containing a thinly veiled threat coupled with a hopeless hope, making a clumsy effort to pass responsibility to others, and yet still giving grounds for hope to those who put on it the best possible construction, were the ideas that impressed us in reading over carefully the text of the note to the representatives of the Powers in Peking, handed out the day after Christmas by the British Legation and distributed by *Reuter's* Agency.
>
> The note starts out by referring to the "growing anxiety" of His Majesty's Government at the situation in China and the belief that this anxiety will be shared by the other Washington Conference Powers. Certainly every one of the Washington Conference Powers looks at the situation in China from a slightly different angle and with vastly divergent degrees of interest. Few, if any of them, have or have cause to have any great share in the "growing anxiety" to which the note unfortunately refers. . . . . .
>
> We must admit that the note does not stand up very well under analysis, but the all important consideration is that it was intended as a friendly gesture and should be received by the Chinese as such. As is the case with the majority of diplomatic documents, what it actually says is by no means as important as is how it is carried out.

IT IS TO the Japanese that we must turn for the most interesting and searching comment on the new expression of British policy toward China. The *Jiji*, according to a translation appearing in the *Japan Advertiser* on December 24 expressed the suspicion that the anti-British boycott at Canton has been suspended in compensation for the enforcement of the surtaxes. Continuing, the *Jiji* analyzes the British action to the following effect.

> The pending question is attributed to differences among the Powers. That the British Charge d'Affaires has defined the British attitude toward China and has moved the enforcement of the surtaxes throughout her domains deserves careful attention as it is suggestive of a new British China policy. Up to recently Great Britain has been generally regarded as pursuing a reactionary policy, because she has consistently refused to recognize China's tariff measures as reasonable, whereas she abruptly changed her attitude and is now ready to accept the Kwangtung proposal without caring for the wishes of others. The new policy of Great Britain is full of significance, because China urges her friends to re-open the tariff conference in anticipation of refusal and in the intention of levying the surtaxes, representing the Powers as responsible for the termination of the parley. It appears probable that Great Britain wants to support the Kwangtung Government and to rescue the Peking Government from pressing needs. The anti-British feeling which prevailed for the past year has been a trying test to Great Britain, whose economic interests in China have been at stake, and this unpleasant experience must have taught her a useful lesson. Great Britain must have realized armed intervention is a mistaken and an impossible idea now she refuses to consider the drastic policy advocated by her residents in China and thus alters her policy. This alteration appeals to reason. We have no doubt that Mr. Lampson, newly appointed British Minister to Peking, landed at Shanghai on the way to his post and proceeded therefrom to Hankow for the purpose of seeking an understanding with the Southerners in regard to Britain's new China policy. The allegation that Great Britain intends to recognize the Southern Government is based upon her changing attitude. This conjecture explains why the British representative has made such a proposal. It is doubtful, however, whether others are prepared to express their assent to the levy of the surtaxes, because Great Britain wants to have the plan put into practice free of formality specified in the Washington treaty and because it affects the relations with China. It is learned that the Imperial Foreign Office will refuse to accept the resolution introduced by Great Britain. For all this report, she will be undaunted and will put her policy into operation.

The *Osaka Asahi*, published in the industrial section of Japan which is particularly sensitive to changes in the Chinese tariff, declared that the British, who were responsible for the winding up of the recent tariff conference in Peking on the grounds that the Chinese Government was powerless, "now proposes the immediate enforcement of the 2½ and 5 percent surtaxes," and explains that

> The contention that the proposal means the formal recognition of what has already been put into operation shows Britain's intention to maintain her grip over China's maritime customs, and the second insistence indicates her readiness to recognize the separation of the South from the North, regarding the two Governments on an equal footing. It should be carefully noted that Britain's proposal is full of more important political significance than appears on the surface . . . . . .
>
> If Great Britain should be determined to enforce her proposal independently of other Powers, she may take pride in her wisdom, because, even if they protest to China against the enforcement of surtaxes, they have no

powers or authority to overpower that nation, despite such efforts, Chinese feeling toward Great British will not be improved. She will perhaps be disliked all the more for her selfish and egotistic principles. According to press opinion, Japan consistently holds that surtaxes should be put into force through the tariff conference and she will appeal to the Powers concerned for consent in conformity with the third clause of the Washington treaty. This is the strong point of Japan's contention, and her insistence will perhaps be supported by others.

The *Yamato*, another Japanese paper, after analyzing the political situation in China and paying due heed to the predominating influence of the Nationalist Government and to the significant visit of Mr. Lampson British Minister to Hankow to confer with the Southern officials, states,

> The British Minister, who is cautious even in detail, listened to the diplomatic discourse of Eugene Chen and has formulated a plan, a pitfall intended to entrap others and especially Japan. This extraordinary information deserves attention. It is likely that the Southern Government has proffered substantial rewards for Great Britain's kindness.
>
> The Southerners who are now confident of their military efficiency rely upon British support in their foreign relations, from which it seems that they have completed their plan for establishing their dominion over all China. It should, however, be noted that the Nationalist Government of Southern China stands on the combined strength left and extreme right, and that internal strife has long existed, although they are united under the beautiful pretext of a grand federation. How the British Minister will achieve success in Peking is beyond prediction, but it is improbable that Japan and the United States would allow themselves to be over-whelmed by his policy. Great Britain will have to pursue splendid isolation or endeavor to effect concerted action with other Powers by all possible means. Probably she will prefer the latter course, although the understanding she has already effected with the Southern Government will form a stumbling block in the way of Japan's China policy.

The *Chuo*, still another Japanese paper, is even stronger in its condemnation of the British Note as the following indicates,

> The economic influence of Great Britain in China has noticeably declined to the dismay of British merchants, who have urged their Government to reconsider its policy. In consequence, the British Labor Government discarded the tyrannical policy and was conciliatory to our neighbor. Since the Washington conference, Japan has thoroughly improved her China policy, by virtue of which mutual relations have been promoted. Watching this changed policy Great Britain forsees that the position of Japan in China will become advantageous as time goes on. Great Britain has consistently pursued a drastic policy toward China, making herself an object of hatred. China's animosity took form in the recent fanatical anti-British movement. This having proved a very great blow to her trade with China, Great Britain was compelled to propose to permit China to levy increased surtaxes upon imports.
>
> It is a question whether the decline of British trade with China is attributable solely to anti-British feeling. As for us, we are of the opinion that long-continued disturbance has hampered the growth of trade relations in general. The communistic tendency of the Southern Chinese is sure to prove destructive to international trade, necessitating that the Powers interested in China unite.
>
> At this important juncture a selfish undertaking to outwit others should be regarded as an act of treason to the principle of international justice. We are in sympathy with Great Britain in her adverse position in China, but we should say that she is too much governed by selfish motives. This must not be considered harsh criticism, because her selfish policy is derogatory to international co-operation as well as to China's welfare. It will cast gloom over the future of her political life. The powers must refrain from establishing political hegemony in that country, for their contest over supremacy therein is as harmful as their economic competition. The altered policy of Great Britain toward China does not appeal to reason or sympathy.

IN VIEW of the pressure which is evidently being exerted in Washington by both the British and Japanese, the decision of the American Government in respect to the recent British proposals is awaited with much interest. It will be remembered that Mr. Silas H. Strawn, American delegate to the China Tariff Conference and representative on the Commission on Extraterritoriality, on Nov. 21, last informed Mr. Kellogg, Secretary of State that it was impossible to do anything in China in respect to tariff revision or modification of extraterritorial practice, "because China has no Government to deal with." Now the British, who admit in their note that they were responsible for the final suspension of the Tariff Conference, turn completely around and insist that the Washington surtaxes be granted at once without respect to the question of a Chinese Government and also recommend that tariff autonomy be granted just as soon as China formulates a tariff law. Furthermore, the British recommend that the subject of defaulted debts be separated from the question of tariff increase, a matter which probably had more to do with the failure of the Peking conference than anything else, owing to pressure exerted by interests holding defaulted obligations of the Chinese government. According to a Washington dispatch in the *Chicago Tribune* on Nov. 22, the 'Powers' have been suggesting to President Coolidge that the only way to solve the Chinese question is to embark on a scheme of armed intervention to put down the war lords and bandits and establish a central government, somewhat like the performance in 1900 when America participated in the armed intervention against the Boxers, but President Coolidge, according to the report, "is known to be opposed to the United States joining in any armed intervention enterprise of this character under existing circumstances." Owing to the fact that the United States definitely announced shortly following the occupation of Kiukiang by the Southern forces that American naval craft could no longer be used in the protection of the foreign administration of the Chinese customs, it is apparent that the British Government, being blocked in its plan for armed intervention, has decided to make the best of a bad situation and adopt the only other possible plan, that of conciliation. The primary incentive for the recent British note, was undoubtedly based upon the desire of the British to preserve the present Customs administration, a matter of primary interest to Great Britain owing to the fact that the Chinese customs is administered largely by British nationals and the funds are deposited largely in the Hongkong and Shanghai Bank, a British corporation which exercises tremendous influence upon British policy in the Far East. The recent action of the Southern or Nationalist Government in enforcing the 2½ and 5 percent surtaxes at Canton, independently of the Customs administration, naturally strikes at the integrity of the Customs and unless the thing can be stopped or regularized, the present administration of the Customs is bound to break down. There can be no questioning the accuracy of this for Gen. Chang Chung-chang has also started assessing the surtaxes in Shantung and according to report, he is not satisfied with the 2½ and 5 percent limits authorized at Washington, but is going strongly in the direction of complete autonomy. It is therefore only a matter of time until all of the militarists in control of treaty ports will be enforcing tariff autonomy inside of the foreign-administered tariff barrier which assesses only five percent advalorem. The British action, therefore, was inspired primarily for the purpose of preventing the breakdown of the present customs administration, but in view of the lack of unanimity on the part of the Powers it is extremely questionable whether Britain alone can save the situation. More likely, the result will be, as one of the leading French

newspapers expressed it, the break-up of the solidarity of the Powers and the rapid development of the Chinese situation in the direction of complete autonomy similar to what took place in Turkey a few years ago.

DIPLOMATIC ACTION ALWAYS TOO LATE

THE RECENT British Note recommending the immediate granting of the surtaxes authorized at the Washington Conference again emphasizes the fact that foreign diplomacy never seems to be able to catch up with the development of the Chinese political situation. If the present attempt of the British to improve the Powers' position in China, fails it can in all truth be credited to the fact that the recommendation has come too late to be acceptable to the Chinese. The reason for this statement is based upon the proposition that the Chinese both at Canton and at Tsingtao are already collecting the surtaxes, hnece they are quite likely to say, "Why should we surrender these taxes to the Customs administration when we are already making the collections and disposing of the money without foreign assistance or interference?" The surtaxes, of course, should have been granted when the Special Tariff Conference was in session in Peking last year, but they were not granted, simply because the Powers could not agree. Mr. Silas H. Strawn, American delegate to the Conference, has stated in recent addresses in America that it was impossible to grant the surtaxes because there was no government in Peking that the Powers could deal with, but now the British Government six months after the closing of the Conference, recommends the immediate granting of the surtaxes regardless of whether there is a government or not. Of course the surtaxes should have been granted at the Conference but the foreign delegates were stampeded into adjourning without taking the action purely on account of the artificial smoke-screen which was raised by a small crowd of foreign propagandists in Peking who were intent upon forcing foreign intervention. The Chinese now want nothing short of tariff autonomy and in view of the conflicting interests of the Powers, the chances are that they will obtain autonomy possibly before January 1, 1929 when the Powers agreed to grant autonomy. To go still further back in illustrating the inability of the Powers to catch up with the Chinese situation, most persons familiar with conditions in China believe that the entire Washington Conference program could have been carried out, had the Powers been able to act immediately following the adjournment of the Conference early in 1922. But the Powers were unable to act at that time because one of the Powers, France, refused to ratify the Washington treaties and held up everything for practically four years. In the period of enforced delay, the Chinese situation kept on developing until Chinese sentiment refused to accept the moderate Washington program when the Powers finally were in a position to put it into effect. To go even further back, most persons will remember that the Chinese delegation at the Paris Peace Conference asked for treaty revision, but nobody took it seriously, until the Chinese raised such a howl that the Powers were forced to pay attention at the Washington Conference in 1921-22.

THIS TENDENCY of the Powers to always be in the wake of events instead of abreast of the situation is also evidenced in Shanghai. The International Mixed Court was actually turned over to Chinese control on January 1, but the Powers did not act until they were forced following the disturbances resulting from the events of May 30, 1925 and following. Had the Powers acted before Chinese sentiment became crystalized, they undoubtedly could have obtained a better deal, but nobody took the Chinese demands (extending over a period of nearly a dozen years) seriously until the Chinese began to break windows. Those who follow the local political situation will doubtless remember that in 1917 and 1918 a movement was started here to grant the Chinese minority representation on the municipal council of the International Settlement and to also open the parks and recreation spaces in the Settlement to the Chinese. The matter of representation on the Council was actually brought up at a Ratepayers meeting, but was turned down largely owing to the opposition of the then chairman of the Council. At the Ratepayers meeting last year action was finally taken looking toward the election of three Chinese to the Council and the opening of the parks to the Chinese residents of the Settlement, but thus far there has been no public announcement of anything material being accomplished. Whether the fault rests with the Chinese or the foreign authorities is not known, but the facts are, that so far as the public is aware nothing has been accomplished and if a crisis develops, the Chinese will think the foreigners are to blame anyway. Thus it goes and when the Nationalists finally get into control of the territory about Shanghai, the chances are that they will not be satisfied with the *moderate* proposals of last year but will want a great deal more, possibly complete control.

New Electric Light Companies in Chekiang

Electrical enterprises in Chekiang province are fast growing in number according to the Chinese *Economic Bulletin* for Dec. 25, which states that in Western Chekiang, electric light and power companies have been established not only in all *hsien* cities but also in most of the important business towns. Eastern Chekiang, however, is less prosperous than Western Chekiang, but even here, electric light and power companies are gradually coming into existence. During the past two or three months, about half a dozen new electric supply companies have been established or are being established in different parts of the province as described hereunder:

Fuyang Ping Li Electric Supply Co. was organised at Szepo, Western Chekiang, in September. It supplies electricity for lighting and for grinding rice.

At Santunchen, a densely-populated town in the district of Hangchow, a new electric light company has just been organised, and installed with a twenty horse-power dynamo.

Sin Hing Electric Light Co., located at Yuankiahsiang outside the West Gate of Sinteng city, was organised in November by a local merchant with a capital of $8,000.

Shentang Electric Light Co. was also organised in November at Shentangchen in the district of Haiyen by some local merchants with a capital of $10,000.

Pu Yao Electric Light Co. which has been in operation since October 1 was organised by a merchant in the city of Yotsing, in Eastern Chekiang.

Tsungjen Electric Light Co. is under organisation at Tsungjen, a town in the district of Chenghsien. All machinery ordered from Shanghai will be completely installed and set in operation within the present year.

The Chowhong Electric Light Co. is being promoted by a local merchant at Chowhong, a cotton distributing center in Yuyao district.

At Fotang, a large commercial center on the Upper Tsientang River, the local gentry is promoting the organisation of an electric light company with $10,000, one-half to be subscribed by the local merchants and the other half by the Lanchi Electric Light Co. The latter company and the promoters are negotiating terms of co-operation in the new enterprise.

All electric supply companies mentioned above have been registered with the Provincial Industrial Department of Chekiang.

How Canton and the Soviet Got Together

An account of conditions and prospects of the Southern or 'Nationalist' Government

BY FRITZ M. WITKOWSKI

Far Eastern Correspondent of German Newspapers

MANY conspicuous changes have lately taken place with regard to the attitude of foreigners towards the Cantonese Government. It was only to be expected, that with the success of Canton's so-called "Northern Punitive Expedition" the question of recognising the established Southern Government would become prominant. Taking every possible impossibility of Chinese politics in general into consideration, we may safely say that-if international recognition means anything to the Canton Government-the Cantonese are to-day not far from their goal. Yet when mentioning conspicuous changes, the point in question was a different one. Take the English-language newspapers of some six months ago. They described in headlines the Peoples Government at Canton as: "Kuomingtang Party," "Southern Government" or "National Chinese." Today the papers have a new and shorter way of characterization; they call the rulers of Canton, the conquerors of seven provinces simply: *"Reds."*

The unanimity with which this term of description is used by all and sundry newspapers is so impressive that, while giving due credit to the influence of successfull propaganda, we cannot merely dismiss the insinuation of Canton's being a bolshevistic-red-government as a clever piece of propaganda.

Of course, I should state here that during my six months' stay in Canton I have found the foundation of the Kuomingtang government to have so little in common with Bolshevism, as understood by Lenin or even the rulers of present-day-Russia, as, let us say, the governmental machinery of the United States below its surface with true democracy. I shall later on give the detailed reasons for this belief, after having previously shown, how it could happen that the Cantonese Government came so unanimously in the odium of being "red."

How the ground was prepared for 'Bolsevism'

While under existing laws one may not call an individual a "scoundrel or a "crook" without running the risk of being sentenced by the courts for slander and malicious insult, nations may safely blackmail their enemies by calling them "Bolshevists." Being under the influence of Moscow means without discrimination, and especially so for the Anglo-Saxon mentality, lack of trustworthiness, readiness to break international treaties and pledges, in brief everything abominable, short of open warfare.

This Bolshevic bogey could not have worked so successfully, would it not have been for the fact that China was actually ripe for an infection by the germs of Bolshevism. It does not require much vision to see that the bolshevist methods of ruling a country only appeals to a starving, desolate nation. In times of prosperity one does not need to experiment with new and radical forms of government. A population on the other hand, which has nothing to lose, may well go in and try out to discover whether there is not some possbility of betterment of condition to be reached by running the country along 'bolshevistic' lines. It so happened that when a new government was installated in Canton, calling its-self the 'Peoples government,' we had ample reasons to expect this government to practise Bolshevism. Was not China exhausted by decades of civil warfare; was not the population being pressed to serve with the different war lords' armies; were not the people taxed beyond their earning capacity; and, on top of it, were they not barred from actual participation in their country's politics, from their fair share in the destinies of their China.

So, in their distress one expected the Chinese to look around and find out, by which means of governmental device their neighbours had got rid of internal and external oppression. There was, in the first place Japan, whose access to the supremacy of the Far East must certainly have impressed the striving Chinese. But Japan's autocratic form of government was the very same type, which China had just overthrown in her first revolution. And an attempt by Yuan Shi-kai to reorganise China along the same lines had met with complete and almost immediate failure. So again China looked around and investigated conditions in another neighbour country, Russia.

Inference of Russian Revolution

Here in Russia an undisputedly autocratic and mediaeval form of government had been overthrown and out of a chaos not worse than China's present chaos had developed something like organisation. China believed that, would it not have been for international interference in the beginning and international non-cooperation later on, conditions in Russia would not have been worse than they were before the revolution, with the only difference that now instead of a camarilla of a few courtiers a representative body of organised labour was ruling the country. By themselves the Chinese had found out that Russia's new government was by no means less "patriotic," one might even say "nationalistic" than the Czarist regime. Had not Rusaia proclaimed a 'Monroe Doctrine' for all the Slavs, did not the Federation of Soviet Republics incorporate almost all parts of the former Russia. Indeed this 'bolshevic' form of government seemed to offer everything China needed and expected from a new and better regime,

There were to be found even some features in Bolshevism, which appealed to the "oldfashioned" Chinese, since many a reform as introduced by the Bolshevics into the private lives of their citizen had its equivalent in some or other Confucian rule of statesmanship. The new regulations for marriage in Russia, for instance, often described in the foreign papers as the very conception of the devil, with its lack of divinity and romance, were nothing else than the normal Chinese marriage contract; the taxation of the farmer in the form of foodstuffs instead of payment in cash was the way the Chinese farmer used to be taxed in the 'good old days,' before the warlords needed hard cash for their own chests more than rice for their retainers. In short, what had appealed to the war-stricken Russians as the ideal state of the future appealed to the Chinese as the ideal state of the past, the very line, along which the Chinese mind thinks in terms of revolution.

I hope there is no misunderstanding that what I have said here is meant to be an eulogy of Bolshevism. It is merely an account of why one could have expected the Chinese to favour Bolshevism.

Why Canton formed an alliance with Soviet-Russia.

When the late Dr. Sun Yat Sen inaugurated his Kuomingtang party and established this party in Canton, nobody who knew the Doctor, expected him to be content with a job as "Buergermeister" of the Southern capital. After having ousted his enemies from Canton, who used to be described just as falsely "Whites", as Sun Yat Sen was described as Red", after having cemented his position, so as always to rely on Canton as his mainstay, Sun started out on his big task, namely the unification of China by means of a 'fight to the finish' with the Cantonese as leaders and future rulers of China.

Sun was a surprising mixture of clear-seeing commonsense and unbased optimism. In his book "The development of China" he accurately figured that his intentions would meet with the unrestricted opposition of the foreign powers, while on the other hand he never gave up hope of enlisting foreign capital for the development of an independent and strongly nationalistic China. The last days of Dr. Sun tend to prove that Putnam Weale, one of the foremost British authors on China was mistaken, when he saw in Japan the principal antagonist to a strong and independent China. It is today commonly known that if Dr. Sun had not died on his way to the reorganisation conference at Tientsin, he would most probably have enlisted Japanese cooperation for all his schemes.

Of course with the passing away of the "Father of the Chinese Republic" there was nobody in his following, who could have influenced Japan to change so fundamentally her politics towards China. Matters came to a standstill with Japan watching Cantons attempts as a neutral onlooker. Canton was not in a position to be content with the neutrality of the principal foreign powers in the Far East. "Who is not for me, is against me," was their attitude, easily to be understood, if we recollect Britain's attitude towards Canton, from the first day, when Dr. Sun unrolled the flag of the white sun in the blue field, until shortly ago, when the Southern troups carried their victorious banners into the very heart of the British spheres of influence, the Yangtse Valley provinces, and forced the British to recognize the nationalist influence.

Great Britains position in China is truly unique, not only considering her paramount trade-interests and investments out here, but in so far as she holds the Crown Colony of Hongkong at the very door of South China. Hongkongs wealth and prosperity depends not on its industry, import or export trade, but on its trans-shipping. Millions of tons and millions of dollars have found their way yearly into Hongkong for the mere reason of its bulwark-like situation in front of Canton. True as it is that the leading shipping circles in Hongkong fully realise that Hongkong's position depends on the relations with and the goodwill of the Cantonese, it is not to be wondered at that they refused to give a helping hand to a government, which aimed at nothing less

than the elimination of Hongkong as a shipping centre and store room for South China. One of the first and foremost schemes of Dr. Sun was the development of the port of Whampoa, situated at the mouth of the Pearl River, a plan, which ultimately would have tended to diminish and oust the preponderance of Hongkong. So, while the Canton Government fully realised the foundations for Great Britains animosity towards their aims, they duly accounted from the very outset of their unification campaign upon English antagonism. And they tried and finally succeeded in countermanding the British effort by enlisting the aid of Russia.

The Canton Agreement with Russia

I have been informed by reliable sources that a certain Cantonese delegation, sent abroad in order to close contracts with foreign military experts, was rebuked in France where they tried to negotiate for infantry instructors as well as in Italy, where they were looking for aviators and aeroplane mechanics. Only after having failed in these countries, the delegation proceeded to Germany, where they employed three expert aviators and then to Russia, where as an outcome of their negotiations an elaborate military agreement was formed. So much has been heard about this military alliance that it might be advisable to mention in this connection a few of its outstanding stipulations.

All Russian experts become automatically subject to Chinese laws, and jurisdiction with their transfer into Chinese services They receive orders only through their respective Chinese superiors. They are struck off the Russian army list. Russia undertakes to supply a number of general staff officers, gunnery experts and instructors for the Whampoa Academy for front-line officers.

That was in outline the first agreement. When later on Russia supplied the Cantonese forces with ammunition and other war materials, this was covered, by different contracts with the Trade Mission of the U. S. S. R. It may be safely said that, would it not have been for the stubborn antagonism of the powers, Russia would never have gained so strong an influence in Cantonese affairs as she enjoys today. As one high official put it, Russia only made the best use of the mistakes of her opponents. The Cantonese on the other hand are not to be blamed. They looked for friends, and the only one they found, was Soviet Russia.

Russia's position in Canton

Conjectures as to what Russia is actually looking for in Canton are naturally hypothetical. Mind, I have not spoken to one Cantonese official who does not know about the ways of the old Russian diplomacy and its high-handed measures against China. But the sparrow in the hand seemed more important than the pigeon on the roof. A certain official mentioned the instance of the Chinese Eastern Railway, which according to the Sino-Russian agreement is joint property of both countries for the time being and shall be returned to China after a fixed term. Now, my Chinese friend said, you foreigners always maintain that Russia has not the slightest intention of complying with this stipulation and you want to make us believe that in time to come China will discover that she bas been double-crossed by Russia. That may be so, the Chinese friend said, but why worry today? So far Russia has always given us a square deal and we shall certainly give them credit until we find out that they do not deserve it. There is something in these arguments;

Why Has Russia Come In;

The wizards in politics want us to believe that Russia went into the Cantonese game aiming at India. The "man in the street" with his liking for detective story-politics may believe that, but to my belief, it is too far-fetched as to influence the politics of the Soviet Russian republic, which is in desperate need of immediate results. A well-known American writer on the other hand, who lately travelled in the East, sees in the Russian machinations nothing but the Moscowites desire to stirr up trouble for the Anglo-Saxons, to get, so to say, hold of assets. One day, this gentleman says, the Russian Ambassador will inform his British collegue, that Russia would be willing to give up all connection with Canton in exchange for certain priviliges, which, England would otherwise never have granted. A nice little example of tit for tat politics t is is. But I do not think that the expenses, which Russia is incurring, in connection with the nationalistic movement in China would warrant such a game. The truth as usual might be found half ways.

With the steadfast advance of Canton the influence of Russia is naturally growing. They are, as far as Eastern politics are concerned, of paramount importance and no issue today can be settled satisfactory without their cooperation. So here then in the very near future we may see Russian and American delegates sitting at one table, the Russians as equals if not superiors of those very same Americans who in matters of finance and European politics are mighty enough to cut Russia out. That may be Russias moral aim. Politically the importance attached to spreading bolshevistic ideas is very much exaggerated by the Anglo-Saxon press. I may not give the name of the Cantonese leader of the innermost circle, who said to me verbatim:" How this prestige business bothers us (Russia and Canton) We even have to put up with a stock of phrases about the merits of Bolshevism."

As far as trade is concerned, it is surprising, how little benefit Russia has had out of the changed commercial conditions. Official Customs reports not being at hand, but I still venture to guess that of the 100% of former British trade not more than 15 to 20 % has been captured by Russia. The big winners are Japan and Germany, with a small share left to American interests.

Editor's Note—This is the first of a series of articles dealing with the situation at Canton from its Nationalistic and International aspects, by Mr. Witkowski, correspondent in the Far East for several leading German newspapers. Other articles will appear shortly.

'Native' Banks Still Powerful in Chinese Trade

BY B. Y. LEE

THE so-called 'native' bank performed nearly all the functions of the modern bank in the Chinese business world long before the introduction of 'modern' banks into China. During the past two decades scores of Chinese modern banks and foreign Chinese banks have been established but the influence of the native bank has not been diminished in any appreciable degree, but rather has been greatly extended. A large percentage of business transactions in China, particularly those in dealings with old type merchants, chiefly depends upon these 'native' banks. The stock and produce market, the stock exchanges, cotton and yarn dealers, and many large concerns usually are forced to suspend their business transactions when these banks close on account of holidays or other similar occasions.

The organisation of the native bank is very simple, and in times of business crises these banks frequently give invaluable financial assistance to needy merchants. Loans and mortgages are granted depending more upon the honesty and character of the borrowers than upon their financial standing or business influence. The initial capital of an average 'native' bank is about 50,000 taels and the annual profit often is as large as 100% of the capital invested. Shanghai is one of the oldest and largest native banking centers in China. When one of these banks fail, the business of the community is directly affected. In 1909 Shanghai had a bad panic because many native banks failed due to the business depression in the rubber trade. Furthermore, during the civil wars in 1922 and 1924 a few failed on account of the war excitement.

Four Classes of Native Banks

Roughly speaking, the native banks in Shanghai may be divided into four classes; (1) Those which have an ample initial capital and are members of the native bankers' clearing house and the native bankers' association; (2) Those with a smaller initial capital and are members of the association, but not members of the clearing house; (3) Those which are called "unqualified" banks which are not members of either associations and the activities of which are confined to the granting of small private loans and mortgages; (4) Those which are called cash shops; thousands in number and make a profit from the changing of the various sorts of currencies in use, and particularly from the exchanging of depreciated small currency. Strictly speaking, they are not banks, yet they have some sort of influence in the money market. For several weeks both the Bank of China and the Bank of Communication have circulated "10 cent big money" paper notes in Shanghai, but the cash shops have refused to handle them, giving various false excuses.

Capital Seldom Exceeds Tls. 150,000

The initial capital of the banks of the first and second classes seldom exceeds 150 000 taels, and a majority of them are organised with only 50,000 taels. If the business is good after a year or two additional capital is invested. As present Shanghai has 77 banks of the first class and 96 banks of the second class The total amount of capital invested in the first class is 11,000,000 taels. Three of them have a total capital of 300,000 taels each, and four have 60,000 taels each. The average capital of each of these banks is 150,000 taels. The number of shareholders in each is from 2 to 8. The form of the organisation is a partnership. The bank is an unlimited company. The owners and shareholders must be owners of real estate and possess public confidence. The

native bankers' association has always been very strict in admitting new members. When a new bank wishes to become a member, it must first send in a formal application, following which all the members vote on the application. If no member raises any objection against the candidate the application is granted. The methods of management, bookkeeping, accounting, and ways of handling the business are naturally old fashioned as a majority of the officers and owners of these banks are of the conservative class.

Each Bank Has Four Departments

There are four departments in the bank; (1) Deals with accounts petty cash and miscellaneous expenses; (2) deals with cash, silver dollars, taels, and notes; (3) deals with coppers and "cash," the latter being practically obsolete; (4) deals with correspondence.

The staff of a native bank consists of a manager, an assistant manager, and many street shroffs, and in the smaller ones, the manager may act as a shroff. The street shroffs, as a rule, do not stay in the office during business hours, but are out soliciting business. They are widely acquainted with the business conditions of the community and are able to get in touch with clients of various descriptions. Loans and mortgages are concluded either with or without proper forms of security. They are given according to the character of the borrowers. One dishonest shroff has often caused the failure of a 'native' bank on account of dishonest dealings. Now many owners enforce a stricter supervision in regard to loans and mortgages and generally grant loans only in smaller amounts to borrowers

Bank Has Five Functions

There are five functions of the bank; (I) Deposit, which are two kinds, namely, the current and the fixed deposits. The rates of interest are paid to the depositors according to the daily rates, which are various depending upon the supply and demand of money. They are from one mace to seven mace per thousand taels per day. Near the period of the Chinese New Year or during political disturbances of the country, especially local disturbances, the interest rates generally reach the highest point. The fixed deposit may be withdrawn before the fixed date or depending upon the "face" of the depositer. Sometimes new depositors are required to have two bondsmen for they have been generally permitted to overdraw. This practice is very common prevailing in the native banks.

(2) Loan and mortgage; are granted with or without security depending upon the financial standing and the character of the borrowers. The length of the long time loans usually is not more than two years and that of the short time loans has been not more than six months.

(3) Promissory note are more extensively used than in the modern banks. The large business enterprises like the Sincere and the Wing On companies once did not use such notes, now they accept them in payment of business dealings for it is a strong weapon in the trade.

(4) Selling domestic drafts: This practice used to be done secretly but now it is a part of the business programme. All procedures of selling drafts are similar to those of the modern bank.

(5) Buying and selling taels; The fluctuation of the tael is more active in the spring and autumn seasons when silver dollars are required for buying silk cocoons, and raw cotton and many other seasonal produce from the interior. Recently when the Southern forces arrived in Hangchow, the tael value of a silver dollar went up from .72 to .75. This offered an opportunity for the banks to make a profit as the tael value of a silver dollar will gradually become normal, that is, about .72, when the war situation becomes easier. Many staple commodities, such as cotton, wheat, yarn, flour, etc. are quoted in taels instead of dollars.

Shanghai Dec. 28, 1926.

International Mixed Court Returned To Chinese Control

The International Mixed Court at Shanghai, for the past fifteen years controlled by the foreign authorities, was returned with appropriate ceremonies to Chinese control on January 1. From now on the Court will function as the Shanghai Provisional Court under Chinese control. The seal of the Court was handed by the Senior Consul, Mr. Aall to Hsu Yuan, Commissioner of Foreign Affairs, who formally took charge on behalf of the Kiangsu provincial government. The Mixed Court at Shanghai came into existence in 1864 and until 1911 was controlled by the Chinese. In 1911, owing to political disturbances in the Shanghai district incidental to the revolution, the foreign Consular Body took over control of the tribunal and it has remained under foreign control since that time.

The Question of Forests and Floods

BY D. Y. LIN, M. F.

Director and Editor, Chinese Forestry Association

OUR attention has been called to an article on "The Question of Feeding China's Millions" which appeared in the December 11, 1926 issue of the China Weekly Review. In it the writer, who by the way is the Executive Secretary of the China International Famine Relief Commission, made some rather presumptuous and misleading statements concerning forestry and forestry work in China. We feel constrained to assert that such statements were quite uncalled for and should be corrected, and no doubt the secretary will not help the cause of constructive work in China if he keeps on spreading information based on mere "technical education" and not on the findings and experiences of specialists.

Discussing the question of reforestation, the secretary said, "There is no water in the hills of North China, so it must therefore be carried up from the valleys by human labor. Two Standard Oil tins of water are required for a tree at one watering—a normal load for a man to carry up the steep slopes where the going is rough. Some statistically minded person might estimate for us the millions of laborers which would be required to water the hundreds of millions of trees which would need to be tended, if China's barren hills were to be clothed with verdure. . . . It is necessary to water the trees when they are first set out and again a little later in the season. Subsequently they must be watered twice yearly for several years until they get a good start."

Selection of Trees the Thing

It would be interesting to know when and where the secretary saw reforestation work on a large scale carried out in that laborious and expensive way. We are afraid that the method described was one of his own imagination and not practicable. The millions and millions of acres of waterlands, sanddunes, and arid limestone areas in Southern France, Germany, Austria, and Switzerland that have already been afforested, were not planted by that imaginary method (which incidentally he described with some degree of levity) but by careful selection and planting of tree species suitable to meet the soil and moisture conditions of the different localities. When Tsingtao, having now over 240,000 mow of land under forest, was reforested, the Germans did not employ myriads of laborers for watering the young trees to get things started. They simply selected tree species (moisture-loving species for the marshes and drought-resisting ones for the dry places, etc.) suitable to the local conditions and planted them. It might be of interest to mention also that the Germans did not plant the entire area of 240,000 mow, for actually only 35,000 mow were planted, while the balance were mostly taken care of by the natural method of regeneration made possible because of the application of a rigid system of protection. If China is to carry out a nation-wide reforestation scheme, the work done in Tsingtao will no doubt be an object-lesson.

Plains Should Be Kept for Farming

Speaking about land for tree planting the writer made the following observation. "Much of this country" he said, "is a perfectly flat plain which is densely populated and intensively cultivated for the growth of grain with which to feed the people. It therefore becomes at once apparent that it is not sound to advocate the forestation of these level stretches of good farm land which would have the effect of decreasing rather than increasing production. All the available space must be used for the growth of food-stuff. Trees not only take a good deal of nourishment from the soil but their shade is injurious to grain crops."

Here again the statement is apt to be misleading. It would be very ridiculous indeed should foresters advocate the planting of trees on agricultural lands, for forestry is the 'raising of repeated crops of timber upon soils unsuited to agriculture' and concerns itself only with land too steep or too stony to till or too barren to raise farm crops. Needless to add that Chinese forestry in order to be useful and sound must conform to the established principles governing forestation. We certainly would like to know of a case where Chinese foresters advocated the planting of trees on agricultural lands.

"Added to the discouraging features mentioned above" continued the writer, "is the present attitude of the Chinese people toward trees." Here he described the "absolute disregard for forests on the part of the population" by telling how the poverty-stricken farmers cut down the trees planted on the different dykes by officials, and how the soldiers in Hsi Ling ruthlessly destroyed the old forests around the

tombs of the Manchu emperors. Surely the action of some destitute farmers and unruly soldiers can not be taken to show that there is an absolute disregard for forests on the part of the population.

Much Forestry Work Being Done

Since the establishment of the Republic, much forestry work has already been done in the different provinces. There are already 10 colleges and 74 schools in the country which give regular or short courses in forestry. Nearly all the Government Railways have practised forestry not only for the sake of raising cross-ties, but also for the protection of their tracks against the constant floods. The establishment of provincial and hsien forest nurseries to encourage local planting, the appointing of forestry commissioners in the different provinces, the observance of Ching Ming Festival as the Arbor Day for the country, the promulgation of forest laws regarding waste lands and the protection of watersheds, the founding of societies in the provincial and hsien cities for the discussion of water and forest conservation—all this unmistakably shows that there has been a growing interest among the Chinese people in forests not only as an economic factor but also as a protective agency for farming and mountainous districts. It was quite unnecessary therefore to say or to insinuate that forestry could not be promoted in China to-day on account of the "absolute disregard for forests on the part of the population."

The Cause of Floods

It is gratifying to note however that in the discussion of the flood problem the writer made the following observation. "The reason why China has so many floods" he said, "is largely due to the lack of forests in the hill country which makes the run-off after rains very rapid and causes unusually quick rises in the water level of the streams. The barren hillsides are also easily eroded and a tremendous quantity of silt is carried down and deposited in the rivers beds. This builds them up and it requires the construction of dykes to keep the streams within bounds. The process goes on until a bad break in the dyke causes the river to seek a new channel then where the same process is repeated."

But it was quite wrong for him to compare China to Europe when he asserted that although there are more forests there. yet floods still occur, obviously forgetting the fact the floods in Europe in recent years have been largely caused by exceptional meteorological conditions which were uncontrollable. Just however where he got the idea that in the U. S. A. floods have become less and less frequent in spite of the progressive depletion of forests, we do not know. But we would like to refer him to Circular 176 of the U. S. Forests Service which gives a record of the effect of deforestation on the frequency and duration of floods.

Relation of Forests to Floods

In bringing up again this subject of the relation of forests to floods which we feel has not been sufficiently understood, it is our intention to reiterate to all concerned that the flood problem in China is not merely a problem of water together with its regulation, but it is also a problem of silt—the silt which has been responsible for the filling of all the river beds, the raising of water level between dykes many feet above the surrounding plain, the strange migratory action of some of the river channels, and the absolute necessity as existing to-day of dredging and constructing, as a temporary measure, all the reservoirs, dykes, outlets and other engineering works. Without going into a detailed discussion of the problem, let us quote the following from the pen of one of the leading hydraulic engineers, Mr. H. van der Veen, C. E., who has been working in China for years as an conservancy expert, and whose opinion is always sought by the National Government.

Mr. Van Der Veen's Opinion

"I have dealt in the foregoing pages" he said in one of his reports on the problem of river conservancy, "with the causes of frequent floods in the Chihli Province and have endeavored to explain how the conditions can be improved by providing a sufficient outlet for the flood water. But with that, the danger of floods has not been removed altogether, for there still remains the difficult problem to solve—What to do with the quantities of silt which the river could not bring down to sea notwithstanding the improved outlet?

"As long as the slope of the water level is sure that a current can be maintained strong enough to carry along all the matter held in suspension, no harm is done. But as I have explained in the first part of my report, the natural slope of the plain is insufficient for the different rivers. In such a case the river is forced to get rid of the soil, held in suspension, along its way, consequently its bed gets raised and in the long run the river has to find another course by bursting its dykes.

"The only way to diminish this evil is to diminish the amount of soil brought down from the mountains. And the reason for this enormous amount of silt brought down is that those mountains are bare, so that during a heavy rain nothing prevents the water from rushing downward practically immediately after it has fallen, taking with it large quantities of soil, so that it reaches the river down below more like torrents of mud than of water. Now if those mountains were planted with trees, not only would then the water be unable to take away so much soil, but it would reach the river gradually in a regular flow divided over a longer period and not within a few hours in fierce torrents.

"It is impossible, therefore, as I have said on several occasions but I wish to repeat it again, to lay too much stress upon the importance of reforestation. The deterioration of the various rivers in China and especially of those in Chihli would never have reached its present stage, if deforestation had not taken place.

"To build reservoirs in the hills in order to regulate the flow of water, as has been suggested, is not only far too expensive but more-over wrong as it does not do away with the problem of silt. Sooner or later these reservoirs would become filled, consequently new ones would have to be built —a process which would have to be carried on into eternity.

"Reforestation is most imperative, for without reforestation the improvement of rivers can only be partly accomplished."

No Desire to Minimize Engineering

These words are eloquent enough and require no further comment. No doubt they represent the opinion of all who have studied the problem in the light of scientific investigations.

It must be added however that quoting the above for the information of those who have the solution of famine and flood problems at heart, we do not mean to minimize in any way the importance of engineering works as a remedial measure for the control of floods in China. As a matter of fact, the deterioration of all the rivers in China to-day has reached such a stage that engineering works are absolutely indispensable in order to give temporary, immediate relief to the constantly inundated districts in the different provinces. But, as has been brought out, engineering works alone can not have a permanent effect in the solution of the problem, unless they are supplemented by a system of tree planting on the different watersheds. There is the silt problem—a problem which must be tackled at its source. Right here we would like to call the attention of the public to the important findings of Professor W. C. Lowdermilk of Nanking University who, after several months' research and experiments in the province of Shansi, concluded his report with the following significant statement.

"Forest destruction appears in Shansi to have been only a preliminary stage of a more disastrous process of slope denudation which is considered essentially responsible for the unfortunate conditions of the mountain lands and river plains."

To argue therefore on the relative merits of forests and engineering works in flood control, is silly and certainly sounds like a grammar school debate on which is more important to humanity—water or fire. What we need now is not arguing or disseminating biased information, but some form of mechanism for coordinated and persistent public action to improve the hydraulic condition of this country, and we can think of no better mechanism than that in which the forester and the engineer plan to work together—one on the upper and one on the lower collecting basins. And without a doubt it is only through such sympathetic co-operation and complete understanding that China can be given a *permanent solution* of her flood problem.

Tsingtao, December 28, 1926.

How 150 Farmers in Chihli Province Earn Their Living

J. Lossing Buck of the department of agricultural economics and farm management of the College of Agriculture and Forestry of Nanking University has just published an interesting booklet containing the results of an economic and social survey of 150 farms in Yenshan country, Chihli Province. The booklet contains more than 100 pages, is illustrated and contains numerous charts giving the results of the survey. In view of the fact that this sort of investigation is new in China, the introduction to the pamphlet stated that considerable difficulty was experienced on account of the fear of the farmers that the survey might be used as a basis of taxation, or that it might be used as basis of famine relief and finally that the survey might be used as a basis for the sale of the property to Gen. Tsao Kun, who was then president of China. The survey covers the matters of size of farms, number of persons supported by the farms, capital invested, annual receipts, expenses, type of crops produced, livestock, methods of fertilization, density of population, marketing methods, cooperation among the farmers and so on.

List of Chinese Internal Loans Outstanding on January 1, 1927

Compiled By E. Kann, Exchange and Bullion Broker, Shanghai.

Name of Loan	Issued In	Total Amount Authorized	Total Amount Issued	Oustanding at present	Rate %	Interest Payable	Secured by the	Bonds Issued	Repayment
4th Year National Loan (Additional Issue)	1923	$ 2,800,000	$ 2,800,000	$ 700,000	6%	12th Apr. 12th Oct.	Rev. of Native Customs & Likin in Shansi	$10,000 $1,000 $100 $50 $10 $5	From 1924 by annual drawings
5th Year National Loan*	1916	$20,000,000	$20,000,000	$12,755,000	6%	31st Mar. 30th Sept.	Consolidated National Loans Sinking Fund	$10,000 $1,000 $100 $10 $5	Within 12 years by half-yearly derwings
7th Year Long Term National Loan	1919	$45,000,000	$45,000,000	$45,000,000	6%	30th June. 31st Dec.	Consolidated National Loans Sinking Fund	$10,000 $1,000 $100 $10	Between 1929 and 1938 by half-yearly drawings
Chinese Government 9th Year Short Term Loan for Improvement of the Monetary Market	1920	$60,000,000	$60,000,000	$10,788,200	6%	31st Mar. 30th Sept.	Consolidated National Loans Sinking Fund	$10,000 $1,000 $100 $10 $5 $1	Between 1921 and 1926 by semi-annual drawings
10th Year 96 Million National Loan	1921	$96,000,000	$96,000,000	$56,391,300 and Y28,914,600	8%	31st Jan. 31st July.	Salt Surplus	$1,000 $100 $10	Between 1921 and 1919 by half-yearly drawings
Chinese Government Consolidated 6% National Loan	1921	$80,000,000	$54,392,000	$39,162,405	6%	1st June 1st Dec.	Consolidated National Loans Sinking Fund	$10,000 $1,000 $100 $50 $10 $5	Witein 10 years from 1921 by yearly drnwings
Dtto 2nd Series	1921	$25,600,000	$25,000,000	$25,600,000	6%	1st Jan. 1st July	Not definitely secured	Dtto	Between 1931 and 1935.
Chinese Government Consolidated 7% National Loan	1921	$13,600,000	$13,600,000	$ 9,792,000	7%	28th Feb. 31st Aug.	Consolidated National Loans Sinking Fund	$10,000 $1,000 $100 $10 $5 $1	Between 1921 and 1930 by yearly drawings
Dtto 2nd Series	1921	$ 8,800,000	$ 8,800,000	$ 8,800,000	7%	31st Mar. 30th Nov.	Not definitely secured	Dtto	Between 1931 and 1935.
11th Year Short Term Loan*	1922	$10,000,000	$10,000,000	$ 2,000,000	8%	31st May 30th Nov.	Deferred Russian Boxer Indemnity	$10,000 $1,000 $100	Within 5 years from 1923 by half-yearly drawings of $1,000,000 each.
13th Year Treasury Notes*	1924	$ 4,200,000	$ 4,200,000	$ 1,500,000	8%	31st Mar. 30th Sept.	German Boxer Indemnity		In semi-annual instalments 1925-1927
14th Year National Loan	1925	$15,000,000	$15,000,000	$15,000,000	8%	31st Mar. 30th Sept.	German Boxer Indemnity	$10,000 $1,000 $100	In semi-annual instalments 1928-1934

China's Exports to U. S. A.

The following table, compiled at the American Consulate General, Shanghai, from the declared export returns of the various American Consular Offices in China, shows the declared exports from the Whole of China to the United States for the month of November 1926 and gives a recapitulation for the first eleven months of 1925 and 1926.

VALUE IN UNITED STATES CURRENCY

Group 0—Animals and Animal Products, except wool and hair (class 101 to 9939)

Articles	Unit of Quantity	Nov. 1926 Quantities	Nov. 1926 Value	11 Months Quantities	11 Months Value
Meats					
Eggs of Poultry:					
In the shell	doz.	.....	.....	.....	.....
Dried whole	lbs.	.....	.....	298,550	$317,232
Frozen „	„	.....	.....	3,363,300	570,518
Egg Products, froz.	„	.....	.....	.....	.....
Albumen, dry	„	.....	.....	250,800	146,562
„ frozen	„	.....	.....	336,028	33,603
Yolk, dry	„	.....	.....	282,916	111,545
„ frozen	„	.....	.....	101,002	22,200
Liquid egg	„	.....	.....	.....	.....
Hides and Skins, Raw (except Furs) All Kinds					
Buffalo hides	pcs.	.....		5,900	
	lbs.	.....	.....	244,647	39,926
Calf skins	pcs.	.....		1,994	
	lbs.	.....	.....	2,276	1,421
Cattle hides	pcs.	.....		.....	
	lbs.	.....	.....	.....	.....
Cow hides	pcs.	.....		.....	
	lbs.	.....	.....	.....	.....
Deer and doe skins	pcs.	.....		10,536	
	lbs.	.....	.....	6,531	4,306
Goat and kid skins	pcs.	.....		39,574	
	lbs.	.....	.....	67,179	18,685
Horse, colt and ass hides	pcs.	.....		1,731	
	lbs.	.....	.....	2,107	2,070
Sheep and lamb skins	pcs.	.....		113,967	
	lbs.	.....	.....	.....	297,894
Furs, Dressed and Undressed					
Dog	pcs.	.....	.....	29,364	50,438
Ermine	„	.....	.....	1,985	4,418
Fox, all kinds	„	.....	.....	11,407	101,684
Hare and rabbit	„	.....	.....	24,916	5,428
Kolinsky	„	.....	.....	4,462	11,725
Marmot	„	.....	.....	18,902	20,067
Lynx	„	.....	.....	318	2,899
Marten	„	.....	.....	39	508
Raccoon	„	.....	.....	2,000	5,174
Sable	„	.....	.....	861	25,662
Squirrel	„	.....	.....	17,434	21,665
Weasel	„	.....	.....	3,400	5,667
Wolf	„	.....	.....	3,990	64,631
All others	„	.....	.....	357,437	567,986
Furs, Dressed—Others					
Moufflon (Goat & kid)	„	.....	.....	49,403	110,937
Manufactures of Furs and Fur Skins					
Dog & goatskin mats	pcs.	.....	.....	33,991	44,123
All other mfrs.	„	.....	.....	48,163	340,705
Miscellaneous Animal Products:					
Feathers & mfrs. of	lbs.	.....	.....	181,600	46,250
Intestines,	„	.....	.....	163,946	155,396
Total					$3,151,325

Group 1—Vegetable Food Products, Oil Seeds, Expressed Oils and Beverages (class 10311 to 17801)

Grains and Preparations					
Buckwheat	lbs.	.....	.....	49,980	$1,000
Kaoliang	„	.....	.....	.....	.....
Vegetable Food Products,					
Beans	lbs.	.....	.....	.....	.....
Fodders and Feeds, N.E.S.					
Beancake and meal	lbs.	.....	.....	3,099,256	59,832
Fruits and Nuts:					
Ginger, preserved	lbs.	.....	.....	.....	.....
Peanuts, shelled	„	.....	.....	50,000	2,422
Peanuts, unshelled	„	.....	.....	1,850,000	69,305
Walnuts, shelled	„	.....	.....	1,360,150	269,429
„ unshelled	„	.....	.....	231,000	15,125
Oil Seeds and Vegetable Oils					
Apricot & peach kernels		.....	.....	.....	.....
Flaxseed, linseed	lbs.	.....	.....	475,661	14,480
Hempseed	„	.....	.....	139,842	3,180
Rapeseed	„	.....	.....	.....	.....
Sesame seed	„	.....	.....	336,000	16,272
Oil seeds, n.o.l.	„	.....	.....	1,839,396	63,902
Bean oil	„	.....	.....	38,000	2,765
Peanut oil	„	.....	.....	.....	.....
Wood oil (Tung nuts)	„	.....	.....	5,752,252	727,293
All other oils	„	.....	.....	9,533	1,108
Vegetable tallow	„	.....	.....	125,402	10,145
Perilla oil	„	.....	.....	899,200	92,941
Cocoa, Coffee, Tea & Spices					
Cassia	lbs.	.....	.....	562,401	71,966
Tea	„	.....	.....	1,571,957	328,303
Total					$1,695,468

Group 2—Other Vegetable Products, except fibres and wood (class 20011 to 29616)

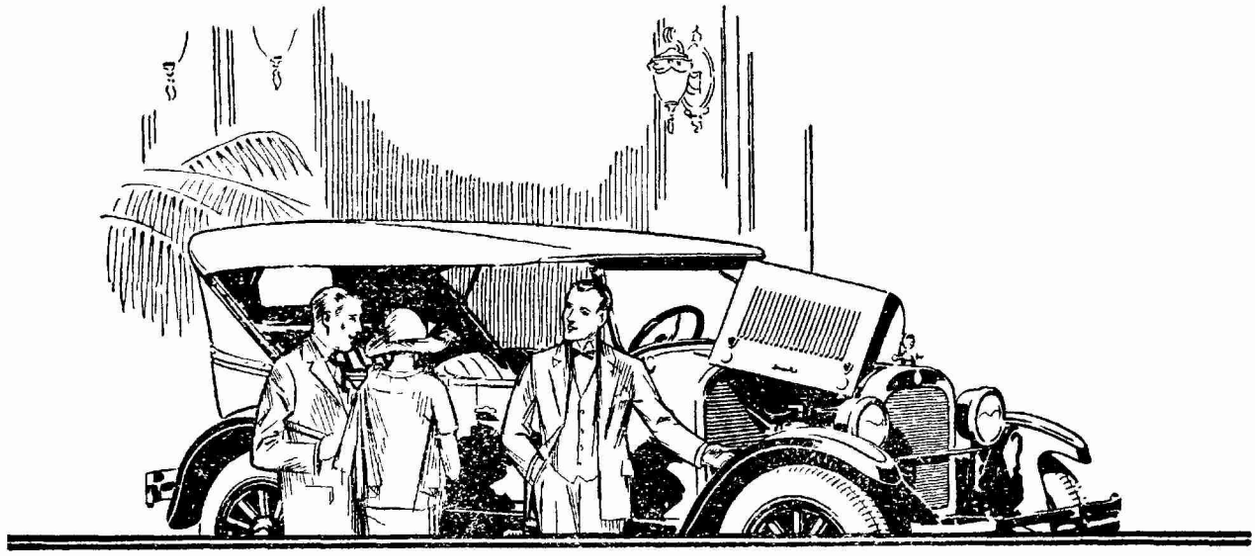
Gums, Resins & Balsams, N.E.S.					
Camphor, crude	lbs.	.....	.....	.....	.....
Crude Drugs & Essential Oils, N.E.S.					
Rhubarb	lbs.	.....	.....	17,920	15,102
Camphor oil	„	.....	.....	.....	.....
Dyeing & Tanning Materials of Vegetable Origin					
Quebracho extract	lbs.	.....	.....	.....	.....
Gallnuts	„	.....	.....	63,560	6,859
Seeds, Except Oil Seeds					
Millet	lbs.	.....	.....	.....	.....
All others	„	.....	.....	.....	.....
Tobacco					
Tobacco leaf	lbs.	.....	.....	.....	.....
Miscellaneous Vegetable Products					
Fans, palm leaf	lbs.	.....	.....	6,300	602
Total					$22,563

Group 3—Textiles (class 30011 to 39593)

Cotton					
Cotton, raw	lbs.	.....	.....	3,513,406	$550,804
„ waste	„	.....	.....	53,235	3,375
„ lace & embroideries	value	.....	.....	.....	236,950
„ misc. mfrs.	„	.....	.....	.....	7,980
Other Vegetable Fibres, N.E.S.					
Fibres, vegetable & textile n. o. l.	value	.....	.....	.....	36,267
Grass cloth & mfrs.	„	.....	.....	.....	17,054
Hats, straw	doz.	.....	.....	.....	.....
„ rush	„	.....	.....	15,200	2,981
„ fibre	„	.....	.....	345	3,389
Mattings & rugs	Sq. yds.	.....	.....	316,156	31,575
Strawbraid	yds.	.....	.....	62,109	154,465
Wool and Hair					
Carpets, wool	Sq. yds.	.....	.....	61,770	455,995
Wool, sheep's	lbs.	.....	.....	6,536,043	1,559,556
Hair, goat	„	.....	.....	20,003	10,637
„ camel	„	.....	.....	89,746	13,435
„ horse	„	.....	.....	67,347	63,681
„ human, raw, Asiatic	„	.....	.....	73,447	27,562
„ nets, human	„	.....	.....	3,668	25,460
„ all other	„	.....	.....	57,201	22,422
Silk					
Silk, raw	lbs.	.....	.....	825,331	3,547,206
„ wild	„	.....	.....	12,244	29,739
„ waste	„	.....	.....	630,938	558,543
„ piece goods	„	.....	.....	10,159	19,538
„ embroideries	value	.....	.....	.....	9,509
„ miscellaneous	„	.....	.....	.....	4,212
„ pongees	lbs.	.....	.....	38,931	109,087
„ cocoons, pierced	„	.....	.....	.....	.....
Total					$7,481,422

(Group 4—Wood and Paper—class 40181—48724.)

Manufactures of Wood					
Bamboo mfrs.	value	.....	.....	.....	5,080
Rattan, reed and woodware	„	.....	.....	.....	8,096
Blackwoodware	„	.....	.....	.....	2,702
Lacquerware	„	.....	.....	.....	773
Paper, Except Printed Matter					
Paper	lbs.	.....	.....	.....	249
Umbrellas	No.	.....	.....	.....	.....
Lanterns	lbs.	.....	.....	.....	.....
Books and Other Printed Matter					
Books	Value	.....	.....	.....	738
Total					$17,638



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DETROIT, U. S. A.

The Dragon Motor Car Co., Ltd., Hongkong
E. W. Frazar & Co., Tientsin—Peking
The China Motors, Inc., Shanghai
The L. E. Gale Co., Hankow

DODGE BROTHERS MOTOR CARS

39-255

Group 5—Non-Metallic Minerals (class 50011 to 59590)

Coal, Petroleum and Asphalt					
Coal	tons	.....	.....	.....	.....
Clay and Clay Products					
Porcelain, Chinaware, Pottery, etc.	value	.....	.....	.....	3,204
Other Non-Metallic Minerals					
Jadeware	value	.....	.....	.....	1,170
Precious stones	„	.....	.....	.....	443
Total					$4,817

Group 6—Ores, Metals and Manufactures, Except Machinery and Vehicles (class 60011 to 69999)

Iron and Steel					
Iron ore	lbs	.....	.....	.....	.....
Pig Iron	„	.....	.....	.....	.....
Ferro-Alloying Metals					
Tungsten ore	lbs.	.....	.....	300,960	25,944
Aluminium, Antimony and Cobalt					
Antimony, crude	lbs.	.....	.....	.....	.....
„ regulus	„	.....	.....	1,173,088	127,501
Copper, Brass and Bronze					
Brass and mfrs. of	lbs.	.....	.....	.....	3,499
Bronze „ „ „ „		.....	.....	.....	.....
Copper „ „ „ „		.....	.....	.....	.....
Precious Metals, Jewelry and Plated Ware					
Gold bars	Ounces	.....	.....	2,752	52,314
Gold coins	value	.....	.....	.....	.....
Jewelry	„	.....	.....	.....	115
Total					$209,373

Group 7—Machinery and Vehicles (class 70011 to 79361)

NIL NIL

Group 8—Chemicals (class 80021 to 87519)

Medicinal and Pharmaceutical Preparations					
Blister flies	lbs.	.....	.....	.....	.....
Other Chemicals					
Acid, tannic	lbs.	.....	.....	.....	.....
Other chemicals and drugs	„	.....	.....	57	1,172
Musk	„	.....	.....	47	8,249
Antimony, oxide	„	.....	.....	112,000	11,620
Explosives, Firecrackers and Ammunition					
Firecrackers	lbs.	.....	.....	176,672	36,224
Total					$57,265

Group 9—Miscellaneous (class 90101 to 99999)

Art Works					
Art, works of	value	.....	.....	.....	33,415
Miscellaneous Articles					
Bristles	lbs.	.....	.....	348,537	375,375
Household & personal effects	value	.....	.....	.....	1,867
Mah Jongg	„	.....	.....	.....	.....
Unenumerated articles	„	.....	.....	.....	406,239
Totals					$816,896
GRAND TOTAL*					$13,456,767

RECAPITULATION

	First eleven months 1925	1926
Group 0—Animals and Animal Products, except Wool and Hair	$41,235,455	$33,622,834
Group 1—Vegetable Food Products, Oil Seeds, Expressed Oils and Beverages	21,495,867	18,999,873
Group 2—Other Vegetable Products, except Fibres and Wood	541,565	416,022
Group 3—Textiles	74,090,287	63,268,890
Group 4—Wood and Paper	364,150	461,553
Group 5—Non-Metallic Minerals	100,347	305,380
Group 6—Ores, Metals and Manufactures, except Machinery and Vehicles	2,337,107	3,460,885
Group 7—Machinery and Vehicles	NIL	NIL
Group 8—Chemicals	515,184	728,784
Group 9—Miscellaneous	7,299,927	9,147,489
	$147,979,889	$130,403,710

Estimated Receipts and Expenditures of Shanghai Mayor's Office

The estimated revenues of the Directorate of the Port of Shanghai and Woosung for the fiscal year 1926-7 amount to $1,218,713.90 as compared to $519,914.00 for the previous fiscal year. The revenues are to be derived from the following sources.

	Source of Revenue	1926 7	1925-6
1.	Appropriation from Kiangsu Provincial Government (from May, 1926, to June, 1927) at $10,000 per month with $10,000 Allowance for Initial Expenses	$150,000.00	
2.	Revenue from Previous Administration	66,309.23	
3.	General Taxes	536,782.79	$220,000.00
4.	Vehicle Licence Fees	282,804.00	184,909.00
5.	Miscellaneous Taxes	114,479.00	61,423.00
6.	Licence Fees	17,300.00	9,795.00
7.	House Tax	936.00	936.00
8.	Special Levies for Road Improvements, etc.	34,000.00	33,640.00
			3,900 00
9.	Road Upkeep Fee from Kiangwan Race Course	5,602.88	
			5,200.00
10.	Road Taxes	5,200.00	111.00
11.	Fines	1,500 00	
12.	Miscellaneous Revenue—including Interest on Deposits in Banks	3,800.00	
	TOTAL	$1,218,713.90	$519,914.00

Note: 1. With the exception of the appropriation from the Kiangsu Provincial Government from May 1, 1926, to June 30, 1927, all the entries cover a period from May 21, 1926, on which day the Directorate first took charge of the municipal affairs of the port, to June 30, 1927.

2. Besides the approximate amount of $190,000 derived from Items 1 and 2 in the above table and taxes in arrears before the month of July, the estimated net revenues from other sources for the period from July, 1926, to June, 1927, amount to approximately $800,000.

The total expenditure for the fiscal year 1926-7 is estimated to be $1,218,713.90 as shown in the following table:

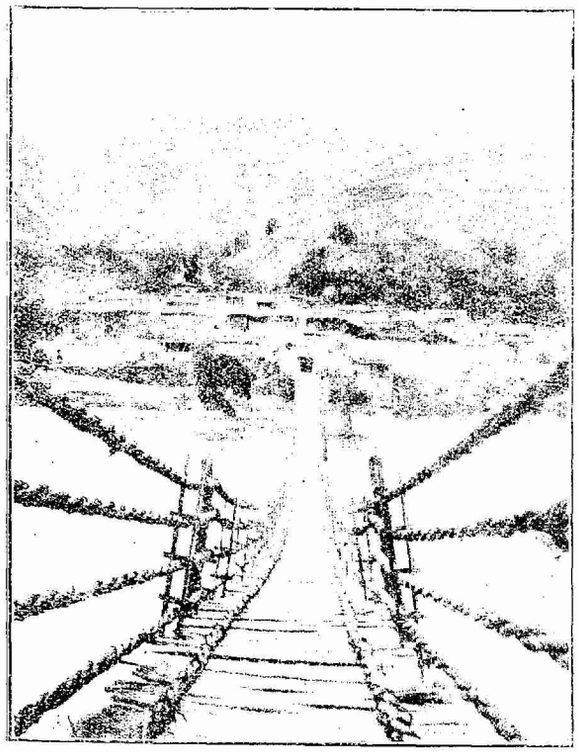
	Item	Amount
1.	Appropriation for Directorate	$150,000.00
2.	Appropriation for Engineering Department	541,648.70
3.	Appropriation for Financial Department	74,069.50
4.	Appropriation for Constabulary	97,553.65
5.	Appropriation for Chapei Office	31,500.00
6.	Appropriation for Health Bureau	75,000.00
7.	Subsidy to Other Departments	88,377.70
8.	Miscellaneous Expenses	131,522.60
9.	Reserve Fund	29,041.77
	TOTAL	$1,218,713.90

The amount of $380,000.00 is the estimated expenditure of the Engineering Department of the Directorate for the year 1926-7:

	Item	Cost
1.	Road Improvement	$265,000.00
2.	Drainage Improvement in Chapei	50,000.00
3.	Establishment of a Public Works Office	30,000.00
4.	Establishment of Market Places	15,000.00
5.	Increase of Refuse Boxes and Public Toilet Establishments	10,000.00
6.	Miscellaneous	10,000.00
	TOTAL	$380,000.00

Marshal Sun Orders Wholesale Arrests of Opponents

According to reports in the Chinese newspapers of Shanghai this week. Marshal Sun Chuna-fang, tupan on Kiangsu and Chekiang has ordered the arrest of a number of prominent Chinese residents of the foreign settlements at Shanghai on the ground that they are members of the Nationalist Party and are plotting against his control of this area. Among those included in Marshal Sun's 'list' are the following: Dr, Tung Kong, Former Minister of Justice and of Finance, Chief Justice of Supreme Court; Waug Shao-liu, a promiment ex-member of Parliament; Paul Pao, Commissioner of Foreign Affairs for Charhar District and Counsellor to the Kuominchun Army; Yang Tien-chi, former Chief Secretary of the Cabinet in Peking and Magistrate of Wuish, (Kiangsu members of the Association). Dr. Tsai Yuan-pei, former Minister of Education and present Chancellor of Peking University; Sheng Chiun-lu, Ex-Commissioner of Educational Bureau of Chekiang and Chief Secretary and member of Senate; Yin Lu-li, former Vice-Minister of Finance and Yin Lu-kun, Commissioner of Foreign Affairs in General Kuo Sung-ling's Headquarters Li Shih-rai. a prominent lawyer in Shanghai and former Judge in the Anhui High Court.



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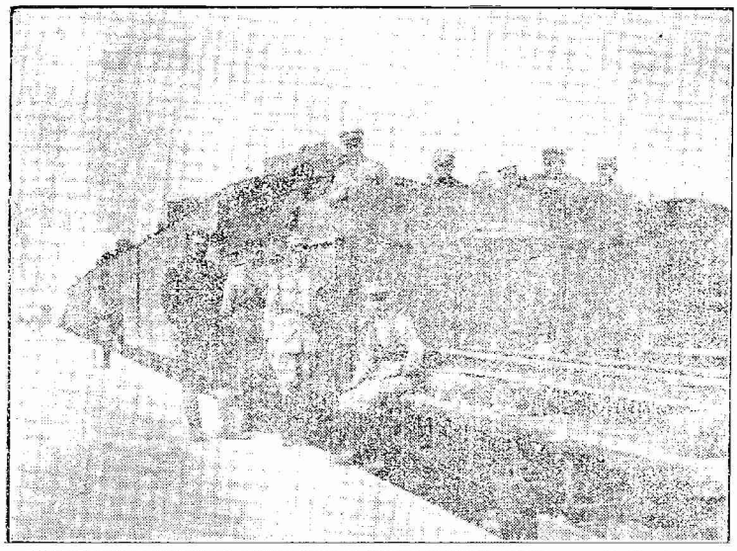
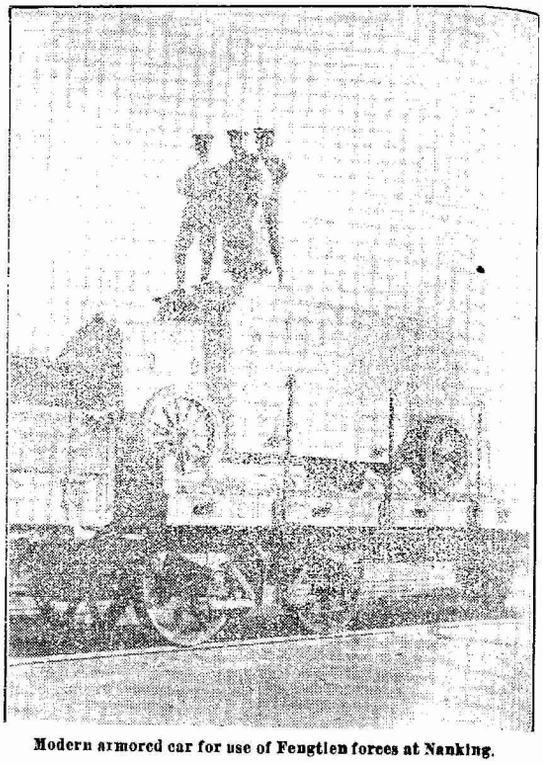
39-257

FENGTIEN MAKES ELABORATE PLANS FOR DEFE

All Photos by Ariel Varges, Far Eastern

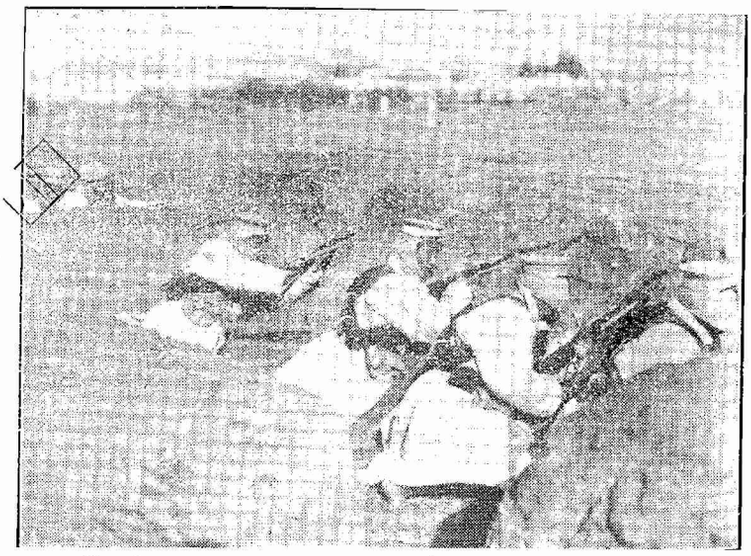


White Russians with the Fengtien Army at Pukow on the Yangtsze, opposite Nanking.



Modern armored car for use of Fengtien forces at Nanking.

One of the trenches dug at Pukow showing telephone connection with headquarters.



More Fengtien trenches in the vicinety of Nanking, Capital of Kiangsu.

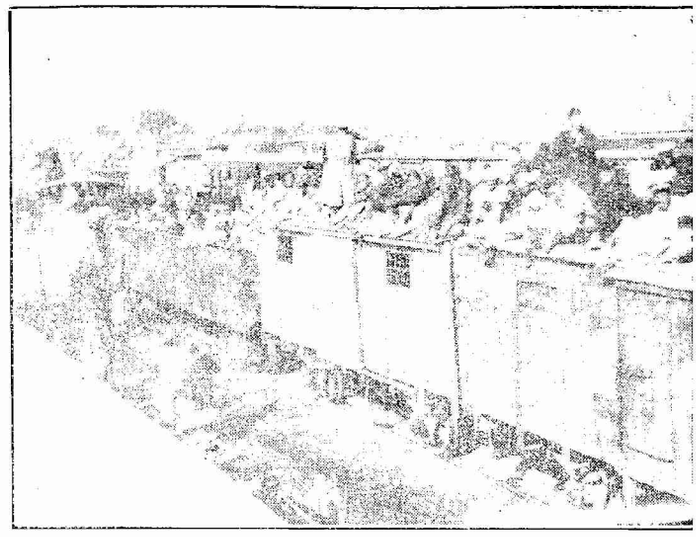
This squad, each carrying a wicked-looking beheading-knife, always accompanies the Fengtien troops for the purpose of preserving order.

Bringing in the supplies for the Fengtien army. Note the extreme youth of some of the soldiers.

SHANGHAI AGAINST THE NATIONALIST FORCES

NG
pictures, International Newsreel, New York

More White Russians with Gen. Chang Chung-chang's army.



Fengtien troops arriving at Pukow for use in the defense of the Shanghai area against the Nationalists.

Mr. Varges, the Newsreel Cameraman (at right) is aiming a camera not a machine gun.

This Fengtien soldier is taking a 'business-like' aim at an imaginary Nationalist trooper.

Fengtien also has airplanes and Shanghai may shortly be thrilled by their whir overhead

This is the famous 'Stokes' mortar, a type of gun manufactured by the thousands for the Fengtien army under the supervision of Gen. Frank Sutton, retired British army officer, who serves in an advisory capacity with Chang Tso-ling, as an offset, so to speak, for Mr. Borodin

Registration of Christian Schools in Canton

BY Y. L. LEE

IT was about two years ago that the Governor of Kwangtung, upon the request of the leaders of the anti-Christian Movement and a few other organizations in Canton, issued two regulations concerning religious education in the Christian schools in Kwangtung. The first one was that religious courses were not allowed in the school cirriculum and the second one was that students should not be compelled to attend religious services. Some schools followed the regulations and some did not. As the government did not ask the Christian schools to register, the matter was not so important at that time. However since then the Christian schools have had difficulties within and from without. The question of school registration has become more pressing, for the Board of Education of the Nationalist Government in Canton has started to take steps to secure this.

The Board of Education is composed of seven members and most of them have been very friendly to the Christian schools. W. K. Chung of the Canton Christian College is one of its members. He has helped to formulate the present regulations concerning school registration. During the process of formulating the regulations, the Christian schools have also formed a committee on school registration with the purpose of negotiating with the Board for favourable terms. It was after the strong protest of this committee that the regulations were put in the present form.

The Regulations

The present regulations are divided into three sets with fifteen for the private school, fourteen for boards of management and eight on registration. They are similar to those issued by the Board of Education of the Peking Government but more in detail. The most essential parts are chiefly for Christian schools although they are said to be for all private schools. The essential parts may be divided into five. First religious courses must not be required and religious services must not be compulsory. Religious propaganda is not allowed while teaching other subjects. Secondly the school board should have a majority of Chinese members and the chairman of the board should be a Chinese. Thirdly the president or principal of the school must be a Chinese. Fourthly the school board should control all school property. Fifthly private schools should be under the guidance and supervision of the government educational administration. The first one means the Christian schools may offer their religious courses as elective subjects. Most of the Christian schools in Canton have received notification from the Canton Government to register not later than April 1927.

Most of the Christian schools in Canton are supported and controlled by foreign missions. The question of school registration therefore becomes very vital. Conferences and meetings have been held by the foreign and Chinese educators of the Christian schools to discuss this matter. The opinion seem to be equally divided, the foreigners on the one hand and the Chinese on the other. Of course there are some exceptions. The Chinese stand for registration and the foreigners against it. Both sides have their own strong arguments.

Do They Want Control?

No doubt there is a certain fear and misunderstanding on the part of quite a number of missionaries. They fear that the Party and Government are anti-Christian and anti-foreign. These new school regulations are a means to get control of the Christian schools. This is a step forward of the red influence and Christianity is threatened with elimination sooner or later. Anybody not looking at the present situation of Canton from all angles and being fed up with propaganda from one side will very naturally see the dark side of the picture.

It has to be admitted that there is a radical group within the Party which is not very friendly to the Christian schools. There is some red influence within the Party. It is also the desire of the Party to extend its influence into the Christian schools. Party workers are every where among the students and labourers. However this is not so critical as it looks. Both the Kuomintang and the Communist Party have a bigger program to tackle. Christianity is not so important to them as we think. They are anti-Christian only as they are anti-imperialist. If Christianity does not seek the protection of the foreign gunboats or the unequal treaties and foreign Christian workers preach more on Christian principles instead of about nations they represent, Christianity will be left free to exist in China. The removing of the clause on the freedom of belief of the Kuomintang principles in the last Party conference was strongly seconded by a Christian of the Executive Committee of the Party and opposed by two Communist members. However the motion was passed. This shows that the so called radical group within the Party is not so radical as some of our own Christians.

It is also feared that if the Christian schools should register with the Government it will mean the schools will come under Chinese control and the Chinese school administrators may not be able to keep out from politics. This may be true to a certain extent. Christian schools have not yet registered in Canton yet we have had enough so called political troubles within our own doors, especially those under foreign control. When the political parties here decided to extend their influence and principles to the youths of the nation, it is very difficult for any school to keep out from "politics". Furthermore why should we Christians be afraid of "politics"? We should come out frankly to meet them before the public. If we go one step further to unite ourselves and seek the support of the public, we may oust the so called radical group. Why should we run away from them? There are a number of places for the foreign missionaries to go, but Chinese Christians have to remain. In case all the missionaries have to leave China, as some of them are thinking they must do, the Chinese Christians have to make a stand.

Do they Want to Destroy

If the Party wants to destroy the Christian schools, as some of the foreigners suspect, non-registration will never prevent the calamity. Registration may mean protection to the Christian schools as some of the officials have told us. The majority of the members of the Board of Education, who formulated the regulations, have studied in several Christian schools before. They are on the whole very friendly to the Christian schools. They desire to preserve the best of the Christian education. It is true that they have formulated some regulations which seem rigid to some of us, but these must be interpreted in the light of their friendly spirit.

It seems to the writer that there are two strong political groups in Canton, one the extremists and the other the moderates. The public too seems to have divided into two groups respectively. The moderates are having the upper hand at the present. They are friendly to the Christian schools. They think that registration of schools will lead the Christians to fall in line with the nationalist movement. For the Christian schools it is better to ally with one instead of being the enemy of both. The question of registration is more and more a popular demand and a patriotic demand. Non-registration may lose the support of the Chinese public and even the Chinese Christian workers within the Christian schools. It has to be prepared further to meet difficulties which are sure to rise from their present student body and alumni.

The Matter of Religious Education

The question of religious education after registration is a difficult one. It is not easy to say just now whether a compulsory system or elective and voluntary system is the best way to propagate religion. The trouble with most of the Christian schools in Canton is not so much the system of teaching but rather their not employing the best men to handle the religious courses. Some say that the Government has no right to dictate to private schools as to what they should teach, for they receive their support from private individuals. The Government at the same time claims that it should have the right to tell its own citizens what kind of education they should obtain. This does not necessarily mean that the Government infringes the freedom of education. Any Christian school which registers with the Government should first think of the problem how to maintain the religious atmosphere of the school. It is a challenge to those who are in favour of registration to see to it that they do not lose their religion.

The Chinese Christians here are in favour of registration. They feel this way because they are anxious to maintain the Christian schools, under the present difficulties. They have no other purpose but for the good of the schools. Registration means for many schools to be under the control of the Chinese Christians. This may mean school property, finance and administration. This is not an easy task. School property must be safe guarded against irresponsible governments of the future. School finance must be well secured and school standards must be kept high. Will the Chinese leaders be able to take up their task? It is doubtful to many missionaries. The Chinese Christians in Canton are altogether too few to meet the situation. However many schools are preparing to meet the new conditions. The question of school property will be easily adjusted. Chinese control does not mean a separation from foreign missions. In fact they need them more than ever. It is hoped that the missionaries will stand by and the Chinese Christians will give their best co-operation in this trying period of Christian adventure, then Christianity is sure to survive.

Canton, China. Dec. 25, 1926.

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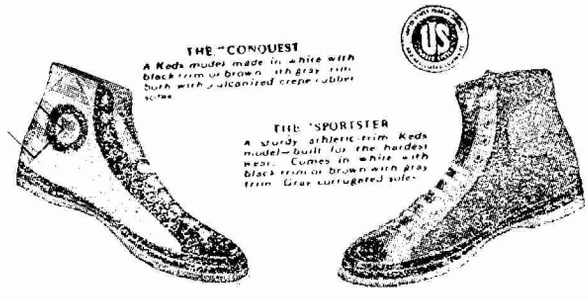

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Chinese Egg Products Trade Growing

BY GEO W. MISSEMER

There is considerable to learn about an egg—a fact which the reader, who probably considers an egg merely as an accompaniment to his ham for breakfast, may not realize. Yes, there is just as much to learn about an egg as Agassiz learned about the fin of a fish—probably more. And a great deal of the learning has been done by the pioneers in the egg exporting business from China, and usually the result in years past was on the wrong side of the ledger.

The Japanese have for many years exported eggs to the Island Empire, packed in rice hulls and empty kerosene boxes. In the early days of the egg export industry eggs were packed in barrels in a solution of silicate of soda, (water glass). They were supposed to arrive "fresh", but there is a peculiarly unpleasant popping noise incidental to breaking the shell of an egg packed in this manner, which proves very disconcerting to the diner. In past years whole eggs were also shipped across the Pacific, but there were as many shipments that ended in loss as resulted in a profit. Some years ago a Shanghai man who took a shipment of eggs to San Francisco was glad indeed to find a purchaser for his shipment in the fertilizer works.

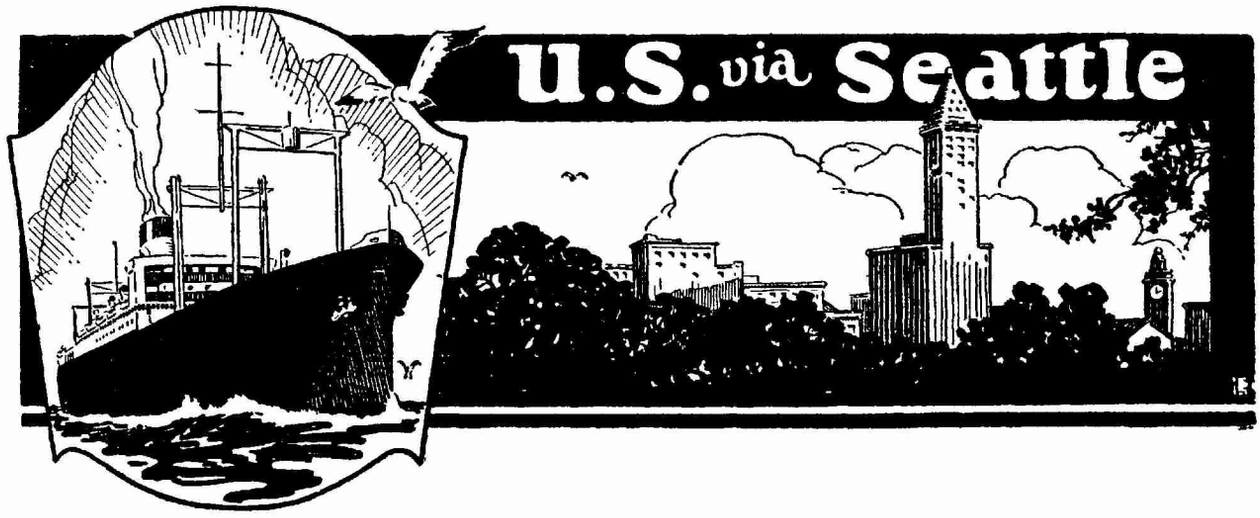
Those were the old unscientific days. The business his now been stabilized. The secret of making egg export from China profitable was found in breaking the shell. To day when the customs statistics speak of "frozen whole egg" the expression is a euphemism. The eggs aren't "(whole)" in the ordinary sense of the word. The expression merely means that the whole contents of the eggs have been churned into a mass, the mass being frozen and kept frozen until it reaches the customer across the seas. Frozen whole eggs are largely used in the American bakery and confectionery trade.

The business of preparing Chinese egg products for foreign markets, in which the foreigners were pioneers, is, as are many other industries, gradually gravitating into Chinese hands. The largest of these concerns is purely Chinese owned. It employ's a former employee of one of the foreign pioneering factories as its expert. Just as in the old recipe for making a rabbit pie it was stated that the first thing to do was to get the rabbit, so in manufacturing egg products the first thing is to get the egg. This particular Chinese egg products concern has specialized in this matter of collecting eggs, and its Chinese manager is reputed not only to know more about eggs than any one else, but he has reached the position where he not only practically controls the price but enjoys a virtual monopoly in the supply of eggs in this territory.

In the Pioneer days of egg gathering the Japanese had established egg stations at various points on the numerous creeks coming into Shanghai and they were thus able to choose the pick of the supply. The Japanese shipped these eggs in empty kerosene boxes to Japan. Some years ago when one of the American egg products companies started its factories here they located them on one of these creeks on the outskirts of Shanghai, among other reasons because they thus were in a strategic position to secure a supply of eggs, as the Japanese before them had been. But this location has not proved an altogether happy one. For one thing, the supply of eggs now comes from many other directions. The large Chinese concern, for instance, is located near the Whangpu, which is at present a better location from which to secure a supply of eggs and, what is more important, it is an infinitely better location to ship from than is the location of the foreign concern on the small creek.

Most of the egg products are shipped in frozen form and unless the temperature is maintained constantly below the thawing point from the time they leave the factory until they reach the consumer the entire shipment becomes worthless. Refrigerating space on the steamers to foreign countries must be contracted for months ahead, sometimes actually is contracted for more than a year ahead. Maintaining the temperature at the factory is a comparatively easy matter. So is it on board the ship. It is during the period of the transfer from factory to shop that the crucial time arises. So many things have to be co-ordinated, and a factory that is not located in a strategic point runs a great deal of risk.

The large Chinese egg factory which has its factory near the Whangpu owns its private refrigerating lighters and its problem is a simple one. But a factory such as that located on the outskirts, situated on a creek which is not navigable for lighters, is at a great disadvantage. As is well known, not only must shipping orders be secured for a shipment, but the cargo must be passed by surveyors before it will be accepted on board ship. Unless trucks are on the spot at the proper moment, unless ice and the other paraphernalia necessary are provided at the same time, unless the surveyor



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is on the spot at the appointed time, not to mention minor details, the cargo is likely to be refused acceptance on board. The writer is informed that owing to a slip up somewhere at least one such shipment last summer failed to get on board and started to thaw. It is to be remembered that the greater part of these shipments are made during the summer months. A thawed lot of eggs means a spoiled or partially spoiled one. Some of the damage from a partially thawed lot may be minimized by going through the cargo again, separating the thawed mess from the frozen portion, and repacking and freezing the now considerably smaller quantity. But such an operation means working without a profit, probably a loss.

Although Americans have taken a very prominent part in developing the frozen egg industry in China, England is by far the largest purchaser, taking last year six million taels worth out of the something more than seven million taels worth of this product that was exported from all Chinese ports last year. Shanghai produced about half of the export and Nanking one-third. Egg albumen and yolk are also shipped separately in dried form. The drying is done automatically on belt conveyors. This trade has developed very considerably during the past several years, Hankow being the center, Hankow shipped more than nine million taels worth of egg albumen and yolk last year, this being a little more than half the total quantity. In these products America vies with England as the principal purchaser.

Mr. Mac Kendrick and His "Orthophonic" in Distant Yunnan

F. R. MacKendrick, attached to the Chinese Customs Service and stationed in Mengtsz District, Hokow, Yunnan Province, wrote the Victor Talking Machine Company, Camden, N. J., U. S. A. at some length, expressing his desire for an Orthophonic Victrola. Unfortunately, standard models of the coveted instrument were both too heavy and too large for shipment by South China camel train. Mr. MacKendrick got his machine, a special model designed and built for him to a specific size and weight. It was built to meet requirements which were set forth succinctly in his letter as follows:

"I have been following with interest your advertisements of the new Orthophonic Victrola in the *Saturday Evening Post* and would like to purchase one," he wrote.

"What I want to know is whether you can or will undertake to make me an Orthophonic in as compact a form as possible to get all of the essential parts in and the volume out of it. In other words, a portable in the sense that it can be packed in a small, strong, felt lined case—allowing no space in the machine itself for records and to weigh not over 40 kilos (90 lbs), as the caravans will not carry a case over that weight.

"If you will look this place up in an atlas you will see that we are right on the most southern borders of China—the borders of Tonkin, Laos, the Shan States and Burmah, which makes it necessary for us to do a lot of shifting about, and it is essential that we have as good stuff as possible in a very compact form. My old Victrola is a good one but if the Orthophonic is better and I can get one in a shape that can be carried on caravan travel, I want one.

"As I have been told by your Eastern agents "no got", and this is more in the sense of a special order, I do not think you will refuse to deviate from your usual rule of not selling direct and take the matter under consideration."

A camel's capacity load is 180 pounds, evenly balanced as to weight on each side—hence the 90-pound maximum weight requirment. The size of the desired instrument was no problem, but that of weight was something to be reckoned with. The only way out was a specially designed and constructed instrument.

Now, in building an Orthophonic instrument, the tone chamber has to conform to certain fixed requirements of size and design. An appreciable amount of weight is represented by the winding sound passage, which has a large wooden 'heart". The Victor Company found that this "heart" could be built of balsa wood, the lightest known workable wood. A laminated, mahogany-veneered case, of unusual strength, but with a minimum weight, was constructed to contain the tone chamber, motor and turntable. A standard motor was used, with automatic eccentric groove stop, and all other mechanical and accustical features of the standard Orthophonic instrument were built into the case. The completed instrument weighed only 47 pounds, and its sturdy laminated wood packing case an additional 36 pounds, making the total camel weight 83 pounds. The camel pack case was enclosed for overseas shipment in an additional export case which brought the total shipping weight to 141 pounds.

The instrument, which has the same tone quality as its companion machine in the regular Victor line, is 20 inches high, 18½ inches wide and 17 inches deep. The tone chamber opening is enclosed with silk screen and ornamental wood grill, and the instrument compares in appearance with the finest pieces of home furniture.

Who's Who in China

Judge C. H. Chang

張正學

Judge C. H. Chang, formerly a member of the Shanghai District Court, but now a professor in the Comparative Law School of China, Shanghai is a native of Haininghsien, Chekiang province, where he was born in 1898. He studied law in the law department of Peiyang University, Tientsin, from which institution he was graduated in 1920 with the degree of LL. B. After teaching in the Public Law College of Hangchow for one year he was appointed to a judgship by the Ministry of Justice and served for a period of three years on the bench of the Shanghai District Court. In 1924 Judge Chang was made Procurator of the Shanghai District Procuratorate. In the course of his judicial duties, Judge Chang decided more than 1,000 cases, many of them involving foreigners without extraterritorial status.

He resigned from the bench in September, 1926 and since that time has served as a member of the faculty of the comparative Law School of China, Shanghai, a branch of Soochow University. Judge Chang has written many articles on legal subjects and jurisprudence, one of the most important being a recent outline for the organization and personnel of the Special Provisional Court of Shanghai which is to take the place of the International Mixed Court.

China's Customs Receipts Show Increase of Tls. 8,230,000

The Chinese Maritime Customs revenue for 1926 amounts roundly to Haikwan Tls. 78,100,000, which, shows an increase of Tls. 8,230,000 compared with 1925 according to report from Peking on Jan. 4.

The principal increases in revenue are, Shanghai, Tls. 6,682,000 and, Canton, Tls. 1,452,000 while the principal decreases are, Tientsin and Chinwangtao Tls. 646,000 and, Hankow, Tls. 223,000.

The Native Customs revenue under the Inspector-General's control amounted to Tls. 4,500,000, which is a decrease of Tls. 228,000.

All Foreign loans and indemnity obligations secured by the Customs are met in full and all domestic loans under the management of the Inspector-General are also met in full. It must be noted however, that the redemption payments of the consolidated debt are still a year in arrears.

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Men and Events

The first dinner-dance of the New Year was held at the Union Club of China on the evening of Jan. 4.

H. P. Shastri delivered an address at St. John's University, Shanghai on Jan. 2 on the subject, "Future Life in Hindu Scriptures."

Sir Percival Phillips, correspondent for the London *Daily Mail* who was in Shanghai over the Christmas holidays, has departed for Hankow.

The basketball team of the Foreign Y. W. C. A., Shanghai played the Chinese basketball team of Ginling College, Nanking on Jan. 1 the score being Ginling 42, Y. W. C. A. 27.

Dr. L. J. Connor and Harry L. Laurie, members of the U. S. Tariff Commission are in Shanghai for the purpose of investigating market values of Chinese raw products and manufactured articles shipped to the United States.

The International Institute of China held a "Testimony Meeting," on Sunday, Jan. 3, at the premises of the Institute at 318 Avenue Joffre. Dr. Gilbert Reid, presided.

Patrick Murphy, a gunner in the 12th Heavy Battery, Royal Artillery, stationed at Hongkong, died of hydrophobia on Dec. 23 as the result of a bite from a rabid dog.

The Columbia Country Club, Shanghai, held its annual New Year's Eve dance and party on Dec. 31 and on Jan. 1 the Board of Governors were at home to members and their friends.

According to recent statistics of the Chinese Maritime Customs, China in 1925 imported salt herring from Canada to the value of Tls. 454,632 and from the United States to the amount of Tls. 584,027.

Practically 8,000 Chinese shop assistants in general goods stores and pawnbrokers's shops were on strike in Shanghai last week, the cause of the strikes being demands for shorter hours, better pay and holidays.

"Chopsticks of 1926" is the title of a new show which will open shortly in New York, the entire cast of which is to be composed of Chinese. The play was written by Arthur Johnson and the music is by Irving Berlin.

Funeral services for the late Miss Lulu Mae Osborn, who died recently, were held at the parlors of the International Funeral Directors on Sunday afternoon, following which burial took place at the Hunjao Road cemetery.

Major C. P. Holcomb of the law firm of Fessenden, Holcomb and Snyder, who has been at the Country Hospital for several days suffering from pneumonia, is somewhat improved and hope is entertained for his early recovery.

A number of Catholic priests and nuns in the Hankow district were forced to go to Hankow for safety owing to anti-Christian demonstrations on Dec. 31. Several Catholic missions and hospitals were looted and burned as a result of the disorder.

Miles Wedderburn Lampson, British Minister to China was Knighted in the honors conferred by the British Government on New Year's Day. Others included in the list were Robert Kotewell, Hongkong Legislative Councillor and J. H. Kemp, Attorney-General at Hongkong.

The losses suffered by the city of Wanhsien, Szechuen province a result of the British bombardment of the place last October, amounted to 227 dead, 362 wouuded and property losses amounting to $2,700,000, according to report of the Ministry of Foreign Affairs at Peking on Dec. 30.

F. M. Witkowski, correspondent in the Far East for various German newspapers, has returned to Shanghai from Canton where he has been making an investigation of conditions. An article by Mr. Witkowski dealing with conditions in Canton appears elsewhere in this issue of *The Review*.

The remains of the late Augusto S. P. Brandao, Brazilian Consul-General, Shanghai, which have been at the parlors of the International Funeral Directors, 71 Kiaochow Road, were removed to St. Joseph's Church on Monday morning, Jan. 3 where requiem mass was held. The body will be sent to Brazil for burial.

Galen L. Stone, president of Hayden, Stone and Company, investment bankers of Boston and New York, died during the Christmas holibays, according to word recently received in Shanghai. Mr. Stone, who visited in China several years ago,was a large stockholder in the Chinese-American Bank of Commerce.

James H. Franklin, foreign secretary of the American Baptist Foreign Missionary Society, 276 Fifth Avenue, N. Y., who was in Shanghai for several days last week, has departed for Canton, Hongkong and Manila. Mr. Franklin will return to Shanghai in February and will spend considerable time in Central and North China.

The strike of employes in the factories of the British-American Tobacco Company at Hankow was settled on Jan. 4, the negotiations having been conducted through Soong Tse-vung, commissioner of foreign affairs at Hankow.

Francis C. Millington of Shanghai, has opened an office under the name, "Incorporated Advertising Consultant," at No. 22 Nanking Road. Mr. Millington was formerly connected with the Shanghai Municipal Service.

Dr. V. K. Ting, director of the Shanghai-Woosung Special Administrative District, who was injured in a motor car accident several days ago has tendered his resignation to Marshal Sun Chuan-fang, tupan of Kiangsu and Chekiang provinces.

A divorse suit brought in the U. S. Court for China by Leonard G. Husar, former U. S. District Attorney, against his wife, Mary Joe Husar, was continued until Jan. 2 in order to permit information pertaining to the filing of the suit to be sent to Mrs. Husar who is now residing in California.

More than 100 British marines were landed at Kiukiang, Kiangsi Province on Dec. 31 owing to the outbreak of serious strikes and anti-British agitations culminating in an attempt to starve out the residents of the British Concession. There are now six foreign naval craft in the Kiukiang harbor, including British, Japanese and American boats.

The annual oratorical contest at Kwang Hua University was held at the university premises on Great Western Road on the evening of Dec. 30, the following students participating: Chang Hsueh-shen, Chang Yueh-line, Tsen Ke-yuen, Liu Shen-chi, Chou Yao, Wu Hsia-ling, Chang Tsing-lien and Hu Tsu-ying. The judges were Dr. R.Y. Lo, K.T. Chung and J. B. Powell.

A movement has been started in Tientsin by Yuan Ke-ting, son of the late President Yuan Shih-kai, to purchase from British capitalists, the coal mines and properties of the Kailan Mining Administration. According to the report, Gen. Chu Yu-puh, tupan of Chihli province has sanctioned the move and an association is being formed for the purpose of raising funds for the purchase.

That Germany is rapidly recovering its pre-war status as a shipping nation was the opinion expressed by Capt. Robert Dollar in an interview published in New York upon his return from his recent trip around the world. Germany is rapidly displacing British lines which have done business to German ports since the war and Germany will soon be an important factor in world shipping.

A large crowd is expected at the annual dinner of the American University Club which is scheduled for the Majestic Hotel on Wednesday evening, Jan. 19. During the dinner there will be stunts by the various University and college groups, music by a male quartet led by Dr. E. J. Anderson, a grand march of the colleges, an indoor football game, following which there will be dancing. Prizes will be offered for the best stunts.

An organization has been formed in Peking for the purpose of protecting the five-color flag of the Chinese Republic. According to a speaker at the meeting the five-color flag stands for the union of the five Chinese races, Han (proper Chinese), Manchurian, Mongolian, Mohammeden and Tibetan. The movement to protect the flag has been precipitated by the Southern or Nationalist Government which is substituting a 'blue-sky, white sun on red ground' flag for the national emblem.

(*Continued from page VI*)

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Developments in the China Situation for the Past Week

That all does not go smoothely in the camp of Marshal Chang Tso-ling, head of the Ankuochun or 'National Salvation Army' has been evidenced in the news reports from Peking stating that the Mukden warlord had dropped two of the most important leaders of the Fengtien Party, Gen. Yang Yu-ting and Cheng Chien, the former being his chief-of-staff and popularly known as the 'brains of the Mukden Party, and the latter being former Fengtien civil-governor of Kiangsu province when Fengtien was in control of this district in the fall of 1924.

According to the first reports, Chang Tso-ling had not only dropped Yang Yu-ting and Cheng Chien from the Mukden Party, but had also ordered them both court-martialed, but this apparently was not correct, since a later report on Monday, Jan. 3 carried by the Japanese *Toho* News Agency, stated that a reconciliation between Chang and Gen. Yang had been patched up and Yang was proceeding to Peking for a conference with Marshal Chang. The same report also expressed the hope that the deadlock over the question of a Cabinet shortly would be settled.

Dr. V. K. Wellington Koo

Cause of the Trouble

Although the situation is not yet clear, it seems that the cause of the trouble between Marshal Chang and his trusted adviser and Chief-of-Staff Gen. Yang and Cheng Chien, were due to their opposition to Marshal Chang's plans for launching a general attack upon the Nationalist forces in Kiangsu and Honan. As part of his general war plan, Marshal Chang Tso-ling has been trying to reorganize the Peking Cabinet with Gen. Chin Yun-peng as Premier, but this plan has received opposition in many quarters, especially in the camp of Marshal Wu Pei-fu in Honan. One interesting element in Wu's opposition was indicated in a report during the week from Honan that a definite break had developed between Marshal Wu and Gen. Chin Yun-ao, the latter being a brother of Chin Yun-peng, whom Chang Tso-ling wants to put in the Premier's chair in the Cabinet.

Koo and Pan Fu To Remain

If Chang Tso-ling is able to put over his new Cabinet, the chances are that Dr. V. K. Wellington Koo, acting premier and minister of foreign affairs and Pan Fu, minister of finance will remain. There were two reports during the week of Pan Fu's attempts to raise war funds for Marshal Chang's drive against the South. One report stated that he was issuing immediately a treasury note issue of $2,500,000 and another report had it that he was contemplating a gigantic loan of $100,000,000 based on the new surtaxes which the Northern militarists are planning to assess in the territories under their control. However a *Reuters* report stated that there was little prospect of either the Northerners or Southerners being able to realize any great benefits from the surtaxes, the amounts involved, as the situation stands today being Canton $7,500,000 and Northerners $22,500,000. Should the Southerners capture Shanghai, however, the proportions would then be about equal for about half of the trade of the country passes through this port.

Wu Pei-fu Admits Failure

That Marshal Wu Pei-fu now admits his complete failure to control the situation in Honan province was indicated in reports from Peking during the week under review, stating that Wu had finally and definitely asked Chang Tso-ling for help. It seems that Wu originally asked Chang for the sum of $2,000,000 with which to finance his troops in a drive against the Southerners in Hupeh province, but Marshal Chang refused this request and telegraphed Wu that if the city of Loyang should fall into the hands of the Southerners, that Chang would immediately rush 80,000 Fengtien troops into Chengchow, the headquarters of Wu Pei-fu, without waiting for Wu's consent. Shortly following this, Wu is supposed to have asked for Chang's assistance and agreed to the dispatch of Fengtien troops into Honan. This was inevitable of course, in view of the rapid advance of Kuominchun troops under the Christian General, Feng Yu-hsiang into western Honan from Shensi, which province is now wholly dominated by Gen. Feng.

Future of the Chihli Party

The downfall of Wu Pei-fu naturally spells the doom of the old Chihli Party which now ceases to exist as a factor in the political situation. One of the politicians affiliated with the Chihli group of militarists and politicians recently visited Wu Pei-fu's headquarters at Chengchow, Honan, and after a few days there expressed the opinion that the Chihli group of militarists are in a hopeless situation and the only way out was for an affiliation of the younger members with the Kuominchun or Christian General's faction, which brings up another interesting situation due to the Christian General's affiliation with the Kuomintang or Nationalist's party.

According to those who are advocating an affiliation of the younger members of the Chihli party with the Kuominchun, they argue that Feng Yu-hsiang, being already in Honan, is in a position to oust Chang Tso-ling and take possession of Peking, thus robbing the Kuomintang of the fruits of victory, so far as the Northern capital is concerned. Then with Feng in possession of Peking, according to the Chihli political schemers, it would not require much pursuasion to induce Feng to cut loose from the Kuomintang and start a new party, somewhat like his previous action in respect to Wu Pei-fu. However, against this theory is a report from one of the advisers of the Kuomintang that the Southerners, while glad to have Feng's assistance are not trusting him any further than they can see him and are adopting the necessary measures which will prevent Feng from doublecrossing them at the crucial time.

Cantonese Advance into Chekiang

The Cantonese forces, according to reports on Monday, Jan. 3 have now advanced into Chekiang province as far as Yenchow, which is located about 50 miles southward of Hangchow, the capital of the province. These troops, which apparently are being led by Gen. Chou Feng-chi, have entered Chekiang from Kiangsi, but simultaneously with the advance of this Southern army, another Cantonese army from Fukien province has advanced into southern Chekiang as far as Sungyang and in addition have also taken over the seaport of Wenchow in southern Chekiang, thus preventing the Northerners from landing troops at that point. Thus, it would seem that the Southerners are advancing in a very systematic fashion and shortly will be in a position to invest the provincial capital at Hangchow and following that to begin their advance on Shanghai in earnest. Railway communication between Shanghai and Hangchow was cut on Monday, Jan. 3, the reason not being known, but generally believed to be due to the independence movement in Chekiang province.

Marshal Sun Chuan-fang continues to make his headquarters in Nanking and has not as yet come to Shanghai to assume direction of his campaign against the Southerners in Chekiang. Gen. Chang Chung-chang, Fengtien tupan of Shantung, who has been at Nanking for several days has now returned to the North, apparently for the purpose of conferring with Marshal Chang Tso-ling. There are rumors in circulation that Marshal Sun's delay in coming to Shanghai is due purely to the General's fear of adverse sentiment in Shanghai on account of his deal with the Fengtien militarists resulting in the bringing of Fengtien-controlled troops into Northern Kiangsu and Nanking. Furthermore should Sun come here and be cut off by the Cantonese, he might be forced to make a hasty exit by ship to Japan or some other safe refuge, since it is not altogether certain that the foreign settlements at Shanghai will continue to provide refuge for defeated militarists.

Railway Traffic Resumed at Hankow

Sun Fo, Minister of Communications in the Nationalist Government at Hankow has announced that an arrangement has recently been concluded between the Nationalist Government and Wu Pei-fu in Honan whereby railway traffic is to be resumed on the southern section of the Peking-Hankow Railway. Regular traffic for both passengers and freight has already been resumed, resulting in improved feeling in the Hankow community owing to the fact that thousands of tons of native products are piled on the station platforms in Honan province awaiting transport to the Hankow market. According to a statement by Mr. Sun appearing in the *Hankow Herald*, it is the intentions of the Nationalist Government to spend the surplus above operating expenses on improvement of the property and purchase of new equipment.

From the Chinese Press

December 30.—The rendition of the International Mixed Court at Shanghai was definitely decided upon by the Diplomatic Body and it is understood that the Court will be taken over by the Chinese Provisional Court on Jan. 1, providing the exchange of documents at Shanghai has been completed by that time—Diplomatic Corps holds meeting in Peking, but question of British Note not taken up owing to the failure of several of the ministers to hear from their home governments—Japanese *Toho* Agency report from Peking states that previous reports regarding the dismissal of Yang Yuting and Chen Chien of the Fengtien party practically confirmed. the reason for Marshal Chang's action being the refusal of Yang and Chen to agree with him on the question of pushing the war against the South—Mandate appointing Chin Yun-peng Cabinet will probably be announced on Jan. 1, Marshal Chang appointing the various members himself as head of the Ankuochun; Marshal Chang will receive congratulations on his action on New Year's Day, representatives of the Diplomatic Body, being expected to attend the function—Head of the Hupeh Opium Prohibition Bureau ordered punished owing to corruption—Marshal Chang Tso-ling holds long conversation with Liang Shih-yi—City of Ichang on Yangtsze in Western Hupeh suffers loss of $3,000,000 on account of extortions of Gen. Yang Sen prior to his evacuation of the city—Ningpo declares independence from Sun Chuan-fang, causing Northerners to dispatch gunboats to city; First Chekiang division joins South and opposes Allied troops; whole province of Chekiang placed under martial law.

December 31.—Peking officialdom, upon Chang Tso-ling's orders announces the suspension of the usual New Year Official ceremony, the reception of foreign ministers also being called off—The feud between rival factions in Chungking, culminates in a fight resulting in many being wounded on both sides. Gen. Wang Ling-chi tendering his resignation but Gen. Liu Hsiang refuses to accept same—Agricultural and Industrial Department of Kwangtung provincial government announces new regulation for settling strikes as follows: Shopkeepers and factory owners may operate factories during strike, but cannot employ strike-breakers; in cases where owners decide to suspend their businesses, they must give half a month's wages in advance and if suspension is sudden, owners must pay two-months wages; proprietors may not dismiss employes without reason, otherwise they must pay two months wages in advance; during settlement of strike, proprietors must pay wages during strike period, the amount to be mutually agreed upon; employers cannot form unions for destroying labor unions; proprietors who are members of labor unions cannot vote or hold office; employers cannot discharge men because of membership in unions; labor union members cannot apprehend laborers or merchants without permission of Government Bureau; laborers shall not confiscate goods; unions shall not blockade shops; no labor union can be started without permission of government; labor unions cannot collect dues by threat; laborers cannot carry arms or clubs; employers who have less than five employes will be regarded as petty artisans and labor-unions cannot force artisans to become members; during a strike the managers alone may operate the shops;—Reported from Peking that Chang Tso-ling may attempt to recall Gen. Yang Yu-ting to Peking in order to solve the Cabinet deadlock—Kwangtung provincial government trying to improve administration following removal of Nationalist Government to Wuchang and will reduce the land tax to 25 percent and prohibit usury by limiting interest rates to 25 percent-Serious anti-British feeling develops in Kiukiang owing to the arrest and temporary incarceration of a professional propagandist by the British concession authorities; British marines landed—Peking report states that American Government has scheme for building large library in Peking and that Liang Chi-chao is departing for America to obtain consent for use of balance of Boxer funds—Marshal Chang Tso-ling pays official visit to Japanese, Dutch and British ministers—Chang Tso-ling efforts to form a cabinet under Chin Yun-peng receives setback owing to the outbreak of hostilities between Wu Pei-fu and Gen. Yang's brother Chin Yun-ao in Honan; Dr. Wellington Koo asked to carry on temporarily—Cantonese legal experts working to organize Supreme Court in Wuchang and will make Hupeh provincial court a court of appeals—British minister Lampson does not present credentials to Wellington Koo, but will wait for formation of stable government—Gen. Chou Feng-chi in Chekiang circulates telegram formally announcing his cooperation with Gen. Chiang Kai-shek of the Nationalist Army against the North.

January 1.—According to T. V. Soong, minister of finance of the Nationalist Government at Hankow, the pressure upon the Nationalist Government for funds will not permit the abolition of the extra tax levies for the present—Gen. Tang Sun-tse, tupan of Hunan and a leader of the Nationalist forces, has departed from Hankow for Kiangsi province—Gen. Chu Yu-puh, tupan of Chihli arrives in Tsinan for a military conference; Gen. Chang Ching-yao has been made commander of the Second Shantung army and will be supplied with 10,000 rifles, 80 cannon and other military supplies—A General inspection of troops of the Nationalist Army was held in Hankow—Gen. Liu Tso-lung leaves Hankow for Kiangsi for the purpose of attending an important military conference—Marshal Sun Chuan-fang telegraphs Chang Tso-ling, urging him to assume complete control of the Government, but Wu Pei-fu sends telegram to Peking opposing the formation of a Cabinet under Gen. Chin Yun-eng—Canton telegram states that Nationalist Government will organize complete provincial administration in Kiangsu on Feb. 1—Admiral Tu Shi-kwei arrives in Nanking for conference and immediately summons Admiral Tang Shu-chwang to Nanking for a conference—Rumored that Gen. Chen Yi, whose troops deserted in Chekiang and joined the South, has been appointed high military adviser to Sun Chuan-fang and hence will not be able to return to Hangchow.

January 2-3—Gen. Chang Chung-chang, tupan of Shantung, who has been at Nanking directing operations of the Northern troops, has returned to Tsinanfu, capital of Shantung—Japanese *Toho* Agency reports from Canton indicate that the Chinese press is strongly opposed to the new British proposal, the *Minkuo Jipao* warning the Chinese people not to be fooled by the new British proposals, while the *Kuomin Hsinwen* states the British proposals are based upon the Washington Conference agreements, hence are conceived in aggressive spirit and are not fair proposals and states that the imperialists of Japan, America and Britain are digging their own graves—Gen. Yang Yu-ting goes to Peking to confer with Chang Tso-ling leading belief that the Cabinet question may shortly be settled—Marshal Sun Chuan-fang sends Gen. Chen Yi and his chief secretary Chen Yin to Shanghai to attempt the solution of the problem of the First Chekiang Division which has become disloyal to Marshal Sun; Sun apparently trying to remove the First Division from Chekiang to Northern Kiangsu—Sun plans to land 2,000 troops at Ningpo for defensive purposes against the Southerners—Fighting

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supposed to have broken out between Sun's forces and the Cantonese troops near Fuyang, but Southerners supposed to be making a stand at Yenchow about fifty miles south of Hangchow—Wellington Koo entertains Diplomatic Corps at tea on New Year's Day, among those present being Chang Tso-ling, W. W. Yen and Sun Pao-chi—Gen. Shih Shih-lien assumes his post as garrison commander of the Peking metropolitan district, to serve during the absence of Gen. Yu Tsung, who is commanding the Fengtien troops on the Peking Hankow Railway—Moh Tu-hui of the Mukden party arrives in Peking for conference—Hankow dispatch states that railway communication on the Peking-Hankow Railway broken between Hsinyang and Liuning, making resumption of traffic impossible—Long conferences being held in Peking by Chang Tso-ling, Chang Hsueh-liang, Wu Chung-sung and Chang Tso-hsiang for the purpose of deciding upon a political and military plan—Gen. Chin Yun-ao, who has had serious differences with Wu Pei-fu in Honan, reported to have departed for Hankow, while Gen. Tien Wei-chin has been ordered to move his troops to western Honan; Chang Yin-hua, civil-governor of Honan reported removed by Wu Pei-fu on account of Chang's inability to raise military funds—Eugene Chen sends long message to Secretary of State Kellogg urging America not to accede to the British proposal regarding the surtaxes since it would strengthen the northern militarists and prolong the war.

January 4.—The Revolutionary Government at Hankow places Nationalist flag on Hankow Customs House—Serious clash develops at Hankow between British marines and Chinese rioters, rioters being incited by recently formed anti-British Society—British sailor wounded by bayonet thrust; one Chinese killed and two wounded in Hankow riots—Strike ends in British-American Tobacco Company's factories in Hankow settled through mediation of Sung Tse-vung and all factories resume operation—Cheng Kung-peh and Chang Chao-yuan of Nationalist Government notify Consular authorities at Hankow that Customs surtaxes will be assessed beginning Jan. 1—Chinese *Kuo Wen* Agency states that Chang Tso-ling has asked Liang Shih-yi to form a Cabinet and that Wellington Koo has agreed to remain in office as Acting Premier for only two weeks longer—Gen. Chiang Kai-shek holds important conference in Nanchang on the military situation, conference being attended by Generals Li Chung-jen, Tang Sun-tse and Liu Tso-lung—Reported that Shantung Naval Squadron will patrol waters about Shanghai while the Shanghai Squadron under Admiral Yang Shu-chwang will patrol the coast of Chekiang—Three soldiers killed and fortyfive wounded, all belonging to Marshal Sun Chuan-fang's forces, due to explosion of a bomb in a house at Shangtsanchiao in Hangchow the house being the one formerly occupied by Gen. Chow Feng-chi, leader of the Southern troops.

Report of the Commission on Extraterritoriality

Copies of the report of the Commission on Extraterritoriality have now been received from Washington and according to a note in the front pages may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C., the price being 25 cents (gold) per copy. The report contains some 156 pages, is carefully indexed, and is divided into four parts as follows; Part I, Present Practice of Extraterritoriality in China; Part II, Laws and Judicial System of China; Part III, Administration of Justice in China; Part IV, Recommendations. In addition there is an Appendix containing a list of the extraterritorial treaties with pertinent treaty clauses, a declaration of policy by the President of China, a general memoranda on the foreign courts in China, lists of Chinese courts and so-called model prisons and finally a report of the traveling committee of the Extraterritorial Commission which visited most of North and Central China in connection with the investigation of Chinese courts and prisons.

Of Chief interest, aside from the findings and recommendations of the Commission is a list of cases of interference in the administration of justice in China by the military authorities, some eleven incidents being cited, most of them being atrocities by militarists affiliated with the Fengtien and Northern military functions although mention is made of incidents at Canton and along the Yangtsze Valley.

The report should be widely read by those interested in the subject of Extraterritoriality and the administration of justice in China. Readers of *The Review* desirous of obtaining copies of the Report may obtain them direct from the U. S. Government Printing Office, Washington, D. C., or if desired copies may be obtained by addressing *The Review* enclosing the equivalent of 25 cents in U. S. Currency.

E. M. Gull, Addresses Members of Parliament on China

E. M. Gull, former secretary of the British Chamber of Commerce and newspaperman of Shanghai, who is now serving as secretary of the British China Committee and China Association in London, delivered an address on Dec. 28 to a large gathering of members of Parliament, the subject of his address being present conditions in China. The meeting was presided over by E. Hilton Young, one of the members of Parliament. In his address Mr. Gull stated his opinion that the Cantonese movement was not haphazard, but was a constructive movement and quoted one of the leaders of the Nationalist movement as stating that although the Cantonese used Russian advisers, the movement was not Bolshevist. He stated however, that the left wing of the Kuomintang was hand-in-glove with Russia and was frankly Communist, and that the disappearance of present safeguards protecting foreigners would be disastrous to British interests in China. Mr. Leefe, chairman of the British China Committee, who also spoke at the meeting, advocated that the British Government should inform the Cantonese that as soon as order was restored and protection to foreign interests guaranteed, that the Powers would extend recognition to the Nationalist Government, and that simultaneously both Peking and Canton should be informed that the treaties would be revised just as soon as order was established in North and South.

An engineer named Semenoff employed by the British Cigarette Company at Tsingtao, Shantung province was murdered on Dec. 29 by two Chinese employes of the factory. According to evidence at the preliminary hearing the Chinese were jealous of Semenoff who had been promoted over them in the factory.

The Mixed Court in the French Concession, Shanghai, was formally turned over to Chinese control on Jan. 5, the action being similar to that in respect to the Mixed Court in the International Settlement which was handed over on Jan. 1.

New Books of Interest in the Far East

Mr. Roosevelt on the Philippines

The Philippines. By Nicholas Roosevelt. J. H. Sears & Co., New York. 1926. pp. 315. Price G 3.50.

Judicial in its treatment of a controversial subject, informing in its concise and logical sequence of facts and dignified throughout, Mr Roosevelt's book is another challenge to the American people to become interested in their Philippine Islands. Mr Roosevelt is a writer with a knowledge of international affairs sufficiently broad to enable him to take more than a provincial view of the Philippine problem; as a student of colonial administration in Java, India, and elsewhere, he is qualified to estimate accurately some of the mistakes which the United States, with less experience than Holland and Great Britain, has made, and he is also qualified to estimate some of the benefits which his own country has bestowed upon the Filipinos.

Summed up Mr Roosevelt's opinion of the Filipinos themselves may be cited in a single sentence. The Filipinos have not signally succeeded with their autonomy, and the author says, "The next step is for the American people to make it clear that they have no intention of relinquishing the Islands for at least two or three generations."

Mr Roosevelt recommends that the United States send a commission to the Dutch East Indies and to other colonial possessions to study with a view of improving conditions in the Philippines. We do not agree with him. We haven't much faith in commissions. They are more than likely to become junketing parties whose muddled recommendations when filed are promptly forgotten. There are enough brains in the United States to administer the Island effectively and wisely without any more commissions.

Mr Roosevelt has a sense of humor. Speaking of the results of the American educational system among the Filipinos, he says.

"Their passion for speeches and politics, to which reference has already been made, has led them to study with enthusiasm the speeches of Lincoln, Patrick Henry and other Americans dealing with the question of political liberty. It was an overdose of the Virginia orator that led one youngster in a high school in Cebu, when asked to define a cow, to reply that, 'A cow is an animal which has four legs, one at each corner. The cow gives milk, but as for me, give me liberty or give me death!'"

Mr Roosevelt appropriately dedicates his book to Governor General Leonard Wood, to whose unselfish devotion to duty in the Philippines he attributes the salvaging of the Islands from the orgy of maladministration into which they were plunged during the Wilson-Harrison regime.

Thomas Steep.

A Doctor with the Bandits

Ten Weeks with Chinese Bandits. By Harvey J. Howard professor of ophthalmology, Peking Union Medical College. With illustrations and sketches by the author. Dodd, Mead and Co.; New York G. 3.00.

Bandits and pirates, however detested by their victims, are of unceasing interest both to adults and children, and so long as banditry and piracy prevails there will be books written about them. The virtue of bandits and pirates is that they furnish material for books.

A little over a year ago, however, Dr. Howard of the Rockefeller Hospital in Peking was captured and held for ten weeks by the notorious band of Black Dragon River bandits which had been terrorizing the Manchurian provinces of Heilunchiang and Kirin. Largely because of his medical skill, and with the aid of a thorough knowledge of Chinese, the author became familiar with many of the brigands and

(*Continued on page VI*)

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Market Closed: Steady Business Done 1,400,000

January 5, 1927 Average 1925

STOCK	LATEST	HIGH	LOW
American Telephone & Tel. Co.	149⅞	145	130⅝
American Tobacco (Class B)	121½	119½	84½
Anaconda Copper	48	53¼	35¼
Baldwin Locomotive	152	146	107
Bethlehem Steel (Ord)	47	53½	37
General Motors (Common)	154⅞	149¾	64⅝
Liggett & Meyers (Class B)	101	89⅞	55½
Pennsylvania Railroad	57	55⅜	42½
Tobacco Products	110	101¾	70
Tobacco Products (Class A)	115	110⅜	93⅛
United States Rubber Co.	58½	97¼	33½
Du Pont de Nemours (Common)	173½	271¼	134¼
Packard Motor Car Co.	36¼	48½	15
British—American Tobacco (Common)	24	28½	24¼
Union Pacific R R	160½	153¼	133¼
U. S. Steel	155	139¼	112⅜
Anglo American Oil (Voting Shares)	20	26⅜	17⅛
British American Oil	80	47½	38
Phillips Petroleum	56⅜	47⅛	36¼
Imperial Oil	37¾	134¾	27¼
International Petroleum	32¼	35⅜	22⅛
Continental Oil	20¾	31⅛	21⅞
Standard Oil of Calif	58¼	67¼	51½
" " Indiana	67¾	70¾	59½
" " New Jersey	38⅝	47½	38⅛
" " New York	32¾	48⅞	40

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American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price Dec. 23th.	Sale Price Dec. 30th.	Approx. Yield to Maturity Dec. 30th.
Szecho-Slovak Govt. Sinking Fund Loan...	8	Oct. 1, 1952	105	105	7.55
Cuban Domin. Sugar Co. 1st Lien S. F. Loan...	7½	Nov. 1, 1944	99½	99	7.60
Republic of Chile S. F. Loan	7	Nov 1, 1942	100¾	100⅝	6.95
Argentine Government Ser. "A".....	6	Sept. 1, 1957	98½	98¼	6.10
German Governments S. F. Loan.....	7	Oct. 15, 1949	106¼	106⅜	6.45
Kingdom of Norway S. F. Loan.....	6	Aug. 15, 1943	101⅝	101⅞	5.85
Deutsche Renten Bank 1st Lien Farm Loan	7%	Sept. 15, 1950	101	101	6.90
Can. Pac. R. R. Co. Debenture Stock.....	4	Perpetual	—	—	—
Belgian Government S. F. Loan.....	6	Jan. 1, 1955	92½	92⅝	6.60
Andes Copper Mining Co. Debentures.....	7	Jan. 1, 1943	108½	108	6.20
German General Electric Co. S.F. Loan....	7	Jan. 15, 1940	104	104	6.60
Saxon Public Works Inc. 1st Mtge. Guaranteed S. F. Loan....	7	Feb. 1. 1945	101½	101½	6.85
Cuban Northern R. R. Co. 1st Mtge. Loan....	6	July 1, 1966	100	100	6.00
Dodge Brothers Inc. Debentures	6	May 1, 1940	95⅝	95½	6 50
Republic of Haiti.....	6	Oct. 1, 1952	99½	99⅝	6.05
Czecho Slovak Government Ext. S.F. Loan..	7½	Oct. 1, 1945	105	105	7.00
Kingdom of Italy, Ext. S. F. Loan.....	7	Dec. 1, 1951	92⅛	92⅞	7.65

The National City Company International Bank Building No. 2A Kiukiang Road, Shanghai, China.

These quotations are subject to confirmation by the National City Company of New York.

Shanghai Exchange for Week Ending Wednesday, Jan. 5, 1927

By Maitland, Fearon and Brand

Exchange:—During the past week, the price of Bar Silver in London has moved within narrow limits, today's quotations of 24 1/16d. ready and 24 1/16d. forward are respectively unchanged and 1/16d. below those ruling this day last week. The official T/T rate on London remains the same at 2/4 3/4d. Owing to the New Year holidays the exchange market has only been open for four days, during which the volume of business passing has been very small, the tone of the market seems to be flat and the immediate tendency does not appear too buoyant. Banks' selling rates at the close are—T/T London 2/5 1/4d., New York 59 1/8, Yen 82 3/4, all Jan./Feb. delivery.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver..... .....Tls. 70,495,000 a decrease of Tls. 88,000

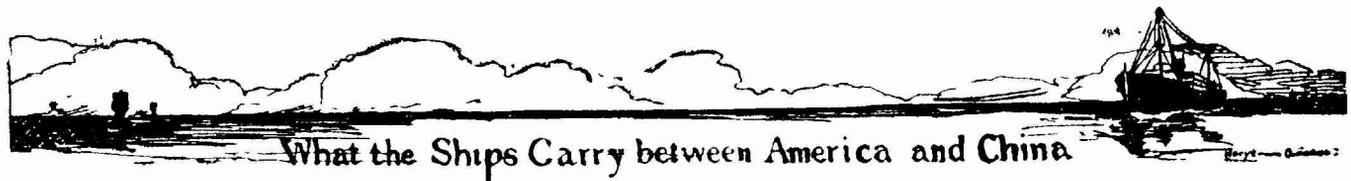
Chinese and Mexican Dollars.....$ 72,330,000 an increase of $ 550,000

Estimated value Tls.122,572,000 as against Tls.101,512,000 held at this time last year

	Average rates for Dec.	Thursday Dec. 30	Friday Dec. 31	Saturday Dec. 1	Mon. Dec. 3	Tues. Dec. 4	Wednesday Dec. 5
Bank's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	2/4.790	2/4 3/8	2/4 3/8			2/4 3/8	2/4 1/2
D/Dfts ,,	—	2/4 13/16	2/4 13/16			2/4 13/16	2/4 13/16
4 m/s ,,	—	2/5	2/5			2/5	2/5
T/T India	160 980	159	159			159	159
T/T France	1,479 200	1470	1470			1470	1470
T/T N. Y.	58.200	58 1/4	58 1/4	BANK HOLIDAY	BANK HOLIDAY	58 1/4	58 1/4
T/T Hong	81.230	81 3/4	81 1/2			81 1/4	81 1/4
T/T Japan	84.130	84	84			84	84
T/T Batavia	144 550	144 1/2	144 1/2			144 1/2	144 1/2
T/T Straits	96.850	97	97			97	97
Bk's buying rates 4 m/s B/L. } Cred. D/A }	2/6.790	2/6 3/4	2/6 3/4			2/6 3/4	2/6 3/4
4 m/s ,, D/P	—	2/7	2/7			2/7	2/7
6 m/s ,, B/L Cred D/A	2/7.103	2/7 1/16	2/7 1/16			2/7 1/16	2/7 1/16
4 m/s B/F } Cred D/A }	1,609,200	1600	1600			1600	1600
4 m/s N. Y. Lc.	61.700	61 3/4	61 3/4			61 3/4	61 3/4
4 m/s ,, Dacs	—	62 1/4	62 1/4			62 1/4	62 1/4

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling Bullion.	Dec. 30	Dec. 31	Jan. 1	Jan. 3	Jan. 4	Jan. 5
*London Price of Bar Silver per oz. (English Standard 925 touch)...Pence						
**New York Price of Bar Silver per oz. (Pure)	24 1/16	25 1/16			25	24 15/16
Shanghai Price of Gold Bars (weight Tls. 10 (Chaoping) 978 touch).....	G. $.54	G. $ 54 1/8	HOLIDAY	HOLIDAY	G. $.54	G. $ 53 1/8
Shanghai Silver Bars (weight Tls. 100(C.)999 touch)	402.00	401.60			403.10	404.10
Shanghai Mexican Dollars per $100.....	111.00	111.00			111.00	111.00
Native Bank Rate of Interest (Call money).....	73.975	73.725			73.35	72.85
*Closing Price in London for Previous day	2%	2%			2%	2%
**Closing Price in New York for Previous day						

Bank of England rate of discount	5%	London Paris on	T/T 122.91
Bank of rance rate of discount	6 1/2%	New York on London	T/T 485 1/2
London open Market of Dis. 3 m/s	4 5/8%	Bombay on London	T/T 1/6
,, 4 ,,	4 7/8%	Hongkong on London	T/T 1/11 1/2
,, 6 ,,	4 7/8%	Kobe on London	T/T 2/0 3/8



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,, Albumen, Moist...	,,	462
,, Whole, Moist ...	,,	672
Intestines, Pigs,' Salted	,,	37
Oil, Wood.....	,,	4,500
Tallow, Vegetable	,,	598
Walnuts, Whole	,,	150
,, Kernels	,,	413
Carpets.....Hk. Tls.		7,600
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Gold Bars	,,	1,461,331

To Portland.

Walnuts, Kernels	Pls.	41

To Los Angeles.

Brassware	Pls.	34
Carpets	Hk.Tls.	650

To New Orleans.

Carpets.....Hk. Tls.		635

To Houston.

Hair, Human.....	Pls.	150

To Philadelphia.

Carpets	Hk.Tls.	506

To Boston.

Silk, Waste:		
Shanghai....Bls. 15	Pls.	49 41
Silk, Tassul:		
Other Ports..Bls. 11	,,	33.84
Walnuts,Kernels.....	,,	41

To Hoboken,

Silk, Raw, Re-reeled from Dupions:		
Shanghai....Bls. 10	Pls.	9.88
Silk, Raw, Steam Filature:		
White, Shanghai Bls. 135	,,	134.49
White other Ports Bls. 5.....	,,	5.00

To Papeete.

Cigarettes	Pls.	27

To New York.

Silk, Raw, Steam Filature:		
White, Shanghai Bls. 25	Pls.	24.94
Yellow Hankow Bls. 15.....	,,	15.20
Silk, Tassul:		
Other Ports..Bls. 91	,,	294.49
Silk Piece Goods	,,	5.37
,, Pongees, Honan..	,,	83.07
Brassware	,,	24
Bristles, Assorted.....	,,	265
Eggs Yolk, Dried....	,,	66
Feathers, Duck	,,	59
,, Goose	,,	82
Wool, Sheep's.....	,,	336
Skins, Doe	Pcs.	5,485
,, Lamb	,,	4 185
,, ,, cross Short.	,,	1,660
,, Mouffion	,,	8,500
,, Deer	,,	5,050
Hats, Rush.....	,,	59,400
Carpets .....Hk. Tls.		1,039

To Colon.

Carpets .....Hk. Tls.		673

To Manzanillo.

Lard	Pls.	701

President Jackson, Nov. 24.

To Manila.

Beans, Yellow	Pls.	545
,, Green Small ..	,,	150
Brassware	,,	3
Chestnuts	,,	199
Dates, Preserved.....	,,	66
Groundnuts, Kernels ..	,,	313
Hams	,,	240
Nankeens.....	,,	16
Oil, Groundnut	,,	450
Pears Fresh	,,	40
Seeds, Melon	,,	304
Woodware	,,	5
Walnuts, Whole	,,	18
Eggs, Fresh	,,	874
Sheetings, Grey, Shanghai	Pcs.	500
Shirtings, White, Shanghai.....	,,	100

West Chopaka, November. 29.

from U. S. A.

Oil, Kerosene, in Cases Gals.		592,260

Montreal Maru, November 30.

from U. S. A.

Iron Wire, Old	Pls.	829
,, ,, Rope, Old.	,,	220
Iron Galvanized:		
Wire Shorts	,,	456
Asparagus, Canned....	,,	133
Cotton, Raw...Bls 53	,,	194
Flour, Wheat.....	,,	2,389
Fruits, Canned	,,	163
,, Dried	,,	246
Milk, Evaporated.....	,,	342
Newspapers, Old.....	,,	1,575
Raisins	,,	209
Wheat	,,	53,609
Canned Salmons.....	Doz.	560
Timber:		
Softwood, Merchantable.....Sup.	ft.	52,308

Asiatic Prince November 30.

from U S. A.

Cotton Goods, Unclassed Yds.		976
Cottons Yarn-dyed....	,,	12,702
Woollen Goods, Unclassed	,,	2,223
Waterproof Cloth	,,	248
Aluminium Foil.....	Pls.	66
Antifriction Metal	,,	59
Iron Hoops, ...	,,	410
,, Nails, Cut.....	,,	23
,, Tubes	,,	532
,, Galvanized, Tubes	,,	2,086
Tinned Plates, Plain...	,,	1,699
,, ,, Old	,,	250
Cement	,,	931
Glue.....	,,	17
Indigo Paste, Artificial, 20 per cent.	,,	778
Lamp Wick	,,	4
Milk, Evaporated.....	Pls.	4
Paints, Unclassed	,,	20
Paper, Writing	,,	61
Petrolatum.....	,,	84
Pitch	,,	15
Soda Ash.....	,,	62
Sulphur, Black.....	,,	78
Tobacco, Leaf	,,	16,837
,, Prepared	,,	2
Machines, Sewing	Pcs.	2
Motor-trucks	,,	5
Trunks	,,	9
Typewriters.....	,,	85
Hosiery.....	*Doz.*	105
Milk, Malted.....	,,	70
Shoes	Pairs.	120
Cigarettes .....*Mille*		73,400
Paints, Unclassed	Galls.	5,696
Machinery .....Hk. Tls.		11,212

President Hayes, December 1.

From U. S. A.

Cotton Yarn, Mercerised	Pls.	12
,, Wooloa	,,	29
Brass Sheets	,,	9
Iron Nails, Cut	,,	8
,, Washers.....	,,	21
Iron, Galvanized:		
Pipe Fittings	,,	20
Tinned Plates, Plain ..	,,	2,269
Bronze Powder.....	,,	94
Butter.....	,,	19
Canned Fruits	,,	126
Cheese	,,	13
Copper, Sulphate of ..	,,	8
Cotton, Raw..Bls. 25	,,	95
Dextrine	,,	118
Fruit Fresh	,,	32
Gum, Arabic	,,	33
,, Shellac	,,	3
Glue, Cow.....	,,	14
Indigo Paste, Artificial, 20 per cent	,,	2,922
Ink, Printing.....	,,	149
Leather, Calf.....	,,	5
Leather, Patent	,,	16
,, Sole	,,	90
Milk, Evaporated.....	,,	210
Newspapers, Old	,,	84
Orang s Fresh	,,	307
Paints, Unclassed	,,	11
Paper, Packing	,,	9
,, Writing.....	,,	12
,, Unclassed	,,	794
Pitch	,,	30
Soap Powder	,,	38
Soda, Sulphide of	,,	14
Tobacco, Prepared	,,	60
Paints, Unclassed	Galls.	190
Varnish	,,	65
Chocolate	Lb.	200
Clocks	Pcs.	51
Imitation Leather	,,	154
Lemons, Fresh.....	,,	15,000
Motor-cars	,,	1
Motor-cycles	,,	16
Scales	,,	123
Typewriters	,,	19
Shoes	Pairs.	1,416
Files	Doz.	422
Cigarettes	*Mille*	26,120
Dyes, Aniline Pkgs. 909	Hk Tls.	16,362
Machinery	,,	64,913
Treasure:		
Silver Bars	,,	861,288

Weekly Cotton Market Report

By J. Spunt & Co.

China Cotton:—Due to the holidays intervening, we have had a short working week, during which very little business transpired either on a speculative or legitimate basis, and price fluctuations continued within a narrow range, with the general tendency toward steadiness. A lull in business from now on and until after the Chinese New Year holidays may be expected but to what extent such may affect the values of raw cotton will very much depend on the financial strength of holders. However, on taking into consideration the recent unfavourable reports in respect of the Indian crop and the growing appreciation in Mid-Americans, it may, for the time being, be reasonably deduced that such a situation would, to a more or less extent, engender bullishness on the domestic staple, and consequently an indication to consumers, at this time, would not be inadvisable to take advantage of any favourable offerings of genuine grades, in that such purchases would promise ultimately to prove profitable.

Yarn:—During the past week there has been on change in the fundamental conditions of the yarn market. Fluctuations were within narrow limits, and with a steady tendency at the close of the week. In all some 3000 to 4000 bales of local spinnings have been booked for export during the week under review.

Liverpool:—

American-Middling	6.90
American-Middling last reported.....	6.78

Tone of the market, *Steady*.

New York Market:—

Price of Mid-Amer.	13.05 Spot.
	12.77 Jan.
	12.95 Mar.
	13.14 May.
	13.29 July.
	13.44 Oct.

Tone of the market:—*Steady*.

Indian Market:—

Fully Good Bengal, D./J.	214
Fine Oomra, Dec/Jan..	242
Fully Good Broach, A./M.	254

Tone of the market—*Steady*.

Shanghai Market:—

	Tls.
Tungchow, spot exwharf	29.20
Shanghai, Spot.....	28.50
M. Ginned Spot.....	28.75
Shensi,. No. 1 Spot.....	29.25
Ningpo, Spot, Exwharf.	28.40

Tone of the market—*Steady*.

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(*Continued from page 167*)

was able to see behind the scenes of twentieth-century outlawry. Though condemned to death, he escaped to give a thrillingly unique history and vivid description of this hunting and hunted robber band.

Enduring prolonged privations and suffering, Dr. Howard managed to retain throughout harrowing experiences his broad human sympathy and a keen power of observation. He has written an absorbing story, touched with all shades of horror, pathos, humor and excitement; Dr. Howard haggling with the bandit chief over the amount of his own ransom; the stealthy crossing of the Sungari River under the nose of a Chinese gunboat; the insufferable conditions in the rotting prison junk; the tragic fate of Mr. Chu who met his end because he could not keep up on the forced flight into the mountains; the character and mind of Jih Pen Tzu the bandit chief who wanted to reform.

"Get off the deck, and into your cabins", roared the Chinese captain of the S. S. Ch'ing Hsing to several of his passengers including Jim and me, "says Dr Howard, in beginning his book, "It was the morning of June 28, 1925, and we were steaming down the Sungari river in northern Manchuria, already two days' journey from Harbin. A moment before one of the crew had stuck his head outside the saloon door and huskily whispered, 'Hunghutzes'. At once we had seen the ship's guard of eight Chinese soldiers rush below with their rifles, and our captain buckle on his Mauser pistol and dash toward the forward deck."

And so the story goes on. T. S.

Men and Events

(*Continued on page 163*)

Fred H. Aberly, representative of the Sherwin-Williams Paint Company in the Orient, is returning shortly to the United States.

Jabin Hsu of the Swedish-Chinese Export and Import Company, manufacturers of matches, is departing shortly for Tientsin on a business trip.

Another Chinese daily newspaper has been started in Peking by Chin Yu-ling, Tu Tui-chi and others, the name of the paper being *Mei Jih Ping Lun Pao* or *Daily Review*.

C. J. Huber, Eastern Manager of the Shanghai International Silk Testing House, Shanghai, accompanied by Mrs. Huber and family is departing shortly for the United States.

John Van A. MacMurray, American Minister to China is departing shortly for Washington for the purpose of conferring with Secretary Kellogg of the State Department on the question of American policy toward China.

Chinese and foreign friends of Dr. Anne Walter Fearn are preparing a handsomely printed testimonial to her which be forwarded to her home in the United States. The testimonial will contain the autographs of her numerous friends in Shanghai.

The German Amateur Dramatic Club of Shanghai will present three one-act plays at the Lyceum Theater on Monday, January 10, the plays being comedies by Curt Goetz, "The Dove in the Hand." "Dog on the Brain," and "The Deceased Aunt."

The steamer President Jefferson of the Admiral Oriental Line which was scheduled to sail from Shanghai early this week was delayed owing to the ship's propeller having become entangled with a wire attached to one of the anchor-buoys in the Shanghai harbor

Wm. T. S. White, president of the Amos Bird Company and vice-president of the H. J. Keith Company of Boston and Shanghai, who has been visiting in Shanghai for some time departed this week for America. Mr. White is accompanied by Mrs. White and their son and daughter.

News from South China

The Communists Party in Canton is preparing to call a conference of all merchants in sympathy with their cause early in January. The programme will consist of a series of lectures to be delivered by leaders of the Party who are now prominently identified with the Kuomintang. A group of 40 merchants will be picked from the principal trade guilds in Canton to stage the conference.

The name of Gen. Li Tsai-hsin, now Officer Commanding the Troops in Kwangtung, has been submitted to Gen. Chiang Kai-shek, Chairman, of the Kuomintang for appointment as Chief of the Labour Division of the Kuomintang in Canton, in place of Chen Shih-jen, who has resigned. It is being felt among the party leaders that the labour elements, especially those belonging to the extremists section at the same time, are getting out of control from the party and that a Chief possessing military power is required to watch further developments. The labour class, it may be recalled, has helped the Kuomintang materially since their last defeat to return to power in Canton; and for some time the labour interests, with the advice and direction of the Communists Party, have been having their own ways of everything inside and outside of the Kuomintang, going as far as to assume the right of depriving of persons unfriendly to them their life, liberty, and property without due process of law or consent of approval of the Executive Committee of the Kuomintang.

The attempt of the group of Communists Youths in Canton to incite a mutiny in the Canton Navy a few days ago has been nipped on the bud, it is believed, by the timely arrest of Commander Yung Kwong-fei of the Gunboat *An Pei* and an effort to bring Captain Lin Chen-hung, retiring commandant of the river flotilla, into custody for investigation. A section of the cadet corps now under training at the Politico-Military Academy at Whampoa is said to have had something to do with the alleged attempt, and an inquiry will be made into the extent of disaffection within the naval and cadet circles.

The cadets now connected with the Whampoa training camp are loyal to a man for the Kuomintang, according to their published statements. They have recently contributed not a few members to the 5,000 or more plain-clothes division of van-guards and propagandists who have done so valuable a service in the capture of Kiukiang in Kiangsi and who are now labouring under extreme difficulty and danger in Hangchow, Shanghai, and other important cities of China which their Party must hold before being able to command the attention of the Nation.

"Anti-Reds" from Yunnan, under the command of General Lung Yun, were again discovered scouting near Poseh, on the Kwangsi-Yunnan border, according to reports reaching Canton.

The Kuomintang in Canton is encouraging the organization of overseas Chinese clubs connecting those who have already returned to China and their friends still abroad. More than a score of such clubs have been formed in Canton and Kuomintang doctrines and political principles will be introduced to overseas Chinese through these connections.

The Political Council in Canton, on December 28 issued orders abolishing all forms involuntary servitude which may still be enforced among farmers and other classes of manual labour found in inland districts. According to a late report, a state of semi-slavery is still found in Kohyue among farmers of certain out-of-way towns.

Canton, December 29, 1926.